

# THE DEPARTMENT OF STATE



# Bulletin

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April 6, 1959

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THE  
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WEEKLY RECORD  
OF  
UNITED STATES  
FOREIGN POLICY

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# Bulletin

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# Security in the Free World

REPORT TO THE AMERICAN PEOPLE BY PRESIDENT EISENHOWER<sup>1</sup>

**MY FELLOW AMERICANS:** Tonight I want to talk with you about two subjects:

One is about a city that lies four thousand miles away. It is West Berlin. In a turbulent world it has been for a decade a symbol of freedom. But recently its name has come to symbolize also the efforts of imperialistic communism to divide the free world, to throw us off balance, and to weaken our will for making certain of our collective security.

Next I shall talk to you about the state of our Nation's posture of defense and the free world's capacity to meet the challenges that the Soviets incessantly pose to peace and to our own security.

First, West Berlin.

You have heard much about this city recently and possibly wondered why American troops are in it at all.

How did we get there in the first place? What responsibilities do we have in connection with it, and how did we acquire them? Why has there developed a situation surrounding this city that poses another of the recurring threats to peace that bear the stamp of Soviet manufacture?

## Occupation Areas Defined

Let's begin with a brief review of recent history.

We first acquired rights and responsibilities in West Berlin as a result of World War II. Even before the war ended, when the defeat and capitulation of Nazi Germany were in sight, the Allied Powers, including the Soviet Union, signed agreements defining the areas of occupation in Germany and Berlin which they would assume. As a result, Germany and the city of Berlin were each divided

into four zones, occupied by American, British, French, and Soviet troops, respectively.

Under the wartime agreements I have mentioned, the Western Allies entered into occupation of West Berlin and withdrew our armies from the Soviet Zone. Accordingly, the boundary of the Soviet Zone, like our presence in Berlin, was established upon the basis of these same agreements. Also by agreement among the occupying powers, the Western Allies—the United States, the United Kingdom, and France—were guaranteed free access to Berlin.

Here in my office is a map of Germany. The light portion of the map is West Germany; the darker portion is East Germany. The lighter gray lanes are the air corridors to Berlin, and the dotted lines show both the main roads and railroads that give us access to the city. Notice that the city of Berlin is 110 miles inside East Germany; that is, it is 110 miles from the nearest boundary of West Germany. Here is the territory, now in East Germany, that was taken by our Army in World War II and was turned over to the Russians by political agreement made before the end of the war.

Now at the end of World War II our announced purpose and that of our wartime associates was the pacification and eventual unification of Germany under freedom. We jointly agreed to undertake this task. Ever since that time the United States has continuously recognized the obligation of the Allied Governments under international law to reach a just peace settlement with Germany and not to prolong the occupation of Germany unnecessarily.

## Basic Purpose of Soviet Government

The public record demonstrates clearly that such a settlement has been frustrated only by the Soviets. It quickly became evident that Soviet

<sup>1</sup> Delivered to the Nation by television and radio on Mar. 16 (White House press release).

leaders were not interested in a free, unified Germany and were determined to induce or force the Western powers to leave Berlin.

Ten years ago Senator John Foster Dulles, now our great Secretary of State, described the basic purpose of the Soviet Government. He said that purpose was:

... no less than world domination, to be achieved by gaining political power successively in each of the many areas which had been afflicted by war, so that in the end the United States, which was openly called the main enemy, would be isolated and closely encircled.

The current Berlin effort of the Soviets falls within this pattern of basic purpose.

The first instance of unusual pressure, clearly evidencing these purposes, came in 1948 when the Communists imposed a blockade to force the protecting Western troops out of Berlin and to starve the people of that city into submission.

That plan failed. A free people and a dramatic airlift broke the back of the scheme.

In the end the Communists abandoned the blockade and concluded an agreement in 1949 with the Western powers, reconfirming our right of unrestricted access to the city.

Then, last November, the Soviets announced that they intended to repudiate these solemn obligations.<sup>2</sup> They once more appear to be living by the Communist formula that "promises are like piecrusts, made to be broken."

The Soviet Government has also announced its intention to enter into a peace treaty with the East German puppet regime. The making of this treaty, the Soviets assert, will deny our occupation rights and our rights of access. It is, of course, clear that no so-called "peace treaty" between the Soviets and the East German regime can have any moral or legal effect upon our rights.

The Soviet threat has since been repeated several times, accompanied by various and changing suggestions for dealing with the status of the city. Their proposals have included a vague offer to make the Western part of Berlin—though not the Eastern part, which the Soviets control—a so-called "free city."

It is by no means clear what West Berlin would be free from, except perhaps from freedom itself. It would not be free from the ever-present danger

of Communist domination. No one, certainly not the two million West Berliners, can ignore the cold fact that Berlin is surrounded by many divisions of Soviet and Eastern German troops and by territory governed by authorities dedicated to eliminating freedom from the area.

Now a matter of principle—the United States cannot accept the asserted right of any government to break, by itself, solemn agreements to which we, with others, are parties. But in the Berlin situation both free people and principle are at stake.

#### **Fundamental Choices in Berlin Situation**

What, then, are the fundamental choices we have in this situation?

First, of course, there is the choice which the Soviet rulers themselves would like us to make. They hope that we can be frightened into abdicating our rights—which are indeed responsibilities—to help establish a just and peaceful solution to the German problem, rights which American and Allied soldiers purchased with their lives.

We have no intention of forgetting our rights or of deserting a free people. Soviet rulers should remember that free men have, before this, died for so-called "scraps of paper" which represented duty and honor and freedom.

The shirking of our responsibilities would solve no problems for us. First, it would mean the end of all hopes for a Germany under government of German choosing. It would raise among our friends the most serious doubts about the validity of all the international agreements and commitments we have made with them in every quarter of the globe. One result would be to undermine the mutual confidence upon which our entire system of collective security is founded.

This the Soviets would greet as a great victory over the West.

Obviously, this choice is unacceptable to us.

The second choice which the Soviets have compelled us to face is the possibility of war.

Certainly the American and Western peoples do not want war. The whole world knows this. Global conflict under modern conditions could mean the destruction of civilization. The Soviet rulers themselves are well aware of this fact.

But all history has taught us the grim lesson that no nation has ever been successful in avoiding

<sup>2</sup> For text of Soviet note of Nov. 27 and U.S. reply, see *BULLETIN* of Jan. 19, 1959, p. 79.



the terrors of war by refusing to defend its rights, by attempting to placate aggression.

Whatever risk of armed conflict may be inherent in the present Berlin situation, it was deliberately created by the Soviet rulers. Moreover, the justice of our position is attested by the fact that it is ardently supported with virtual unanimity by the people of West Berlin.

The risk of war is minimized if we stand firm. War would become more likely if we gave way and encouraged a rule of terrorism rather than a rule of law and order. Indeed, this is the core of the peace policy which we are striving to carry out around the world. In that policy is found the world's best hope for peace.

Now, our final choice is negotiation, even while we continue to provide for our security against every threat. We are seeking meaningful negotiation at this moment. The United States and its allies stand ready to talk with Soviet representatives at any time and under any circumstances which offer prospects of worthwhile results.

We have no selfish material aims in view. We seek no domination over others—only a just peace for the world and particularly, in this instance, for the people most involved.

We are ready to consider all proposals which may help to reassure and will take into account the European peoples most concerned.

We are willing to listen to new ideas and are prepared to present others. We will do everything within our power to bring about serious negotiations and to make these negotiations meaningful.

#### **"We Will Not Retreat From Our Duty"**

Let us remind ourselves once again of what we cannot do.

We cannot try to purchase peace by forsaking two million free people of Berlin.

We cannot agree to any permanent and compulsory division of the German nation, which would leave Central Europe a perpetual powder mill, even though we are ready to discuss with all affected nations any reasonable methods for its eventual unification.

We cannot recognize the asserted right of any nation to dishonor its international agreements whenever it chooses. If we should accept such a contention the whole process of negotiation would become a barren mockery.

We must not, by weakness or irresolution, increase the risk of war.

Finally, we cannot, merely for the sake of demonstrating so-called "flexibility," accept any agreement or arrangement which would undermine the security of the United States and its allies.

The Soviet note of March 2d appears to be a move toward negotiation on an improved basis. We would never negotiate under a dictated time limit or agenda or on other unreasonable terms. We are, with our allies, however, in view of the changed tone of the Soviet note, concerting a reply to that note.

It is my hope that thereby all of us can reach agreement with the Soviets on an early meeting at the level of foreign ministers.

Assuming developments that justify a summer meeting at the summit, the United States would be ready to participate in that further effort.

Our position, then, is this: We will not retreat one inch from our duty. We shall continue to exercise our right of peaceful passage to and from West Berlin. We will not be the first to breach the peace; it is the Soviets who threaten the use of force to interfere with such free passage. We are ready to participate fully in every sincere effort at negotiation that will respect the existing rights of all and their opportunity to live in peace.

#### **Cooperative Efforts To Protect Freedom**

Today's Berlin difficulty is not the first stumbling block that international communism has placed along the road to peace. The world has enjoyed little relief from tension in the past dozen years. As long as the Communist empire continues to seek world domination we shall have to face threats to the peace of varying character and location. We have lived and will continue to live in a period where emergencies manufactured by the Soviets follow one another like beads on a string.

Whatever the length of that period, we shall have to remain continuously ready to repel aggression, whether it be political, economic, or military. Every day our policies of peace will be subjected to test. We must have steadiness and resolution and firm adherence to our own carefully thought-out policies.

We must avoid letting fear or lack of confidence turn us from the course that self-respect, decency, and love of liberty point out. To do so would be

to dissipate the creative energies of our people, upon whom our real security rests. This we will never do.

Now, to build toward peace and maintain free-world security will require action in every field of human enterprise. It can only be done by the nations of the free world working together in close cooperation, adjusting their differences, sharing their common burdens, pursuing their common goals. We are carrying out just such an effort. We call it mutual security.

We recognize that freedom is indivisible. Wherever in the world freedom is destroyed, by that much is every free nation hurt.

If the United States alone had to carry the full burden of defending its interests from the Communist threat, we would have to draft a much larger portion of our manhood into the armed services, spend many more billions of treasure, and put a more intense strain on all our resources and capacities. We would become more and more like a garrison state.

Fortunately we do not have to adopt such a desperate course. Nearly 50 nations have joined with us in a cooperative effort to protect freedom. This system of mutual security allows each nation to provide the forces which it is best able to supply.

Now what is the strength of these forces? What are we contributing to the joint effort? What can we count on from our allies?

Let's look first at our own contribution. Let us look at it from the viewpoint of our own security.

Of late I—and I am sure the American people—have heard or read conflicting claims about our defenses.

We have heard that our military posture has been subordinated to a balanced budget, jeopardizing our national defense.

We have heard that our defenses are presently—or they will be sometime in the future—inadequate to meet recurrent Communist threats.

We have heard that more manpower in our forces than I have recommended is essential in the present circumstances, for psychological reasons if for no other.

My friends, such assertions as these are simply not true. They are without foundation. It is not likely, however—and this is indeed fortunate—

that such assertions will lead the Soviet Union to miscalculate our true strength.

### **Design of Our Defense**

The design of our defense is the product of the best composite judgment available for the fulfillment of our security needs.

First, we are devoting great sums for the maintenance of forces capable of nuclear retaliatory strikes. This capability is our indispensable deterrent to aggression against us.

The central core of our deterrent striking force is our Strategic Air Command with its long-range bombers. They are reinforced by naval aircraft, missiles of varying types, and tactical fighter bombers. This array will soon include weapons of even greater power and effectiveness.

The capacity of our combined striking forces represents an almost unimaginable destructive power. It is protected by a vast early warning system and by powerful air defense forces.

More and more this great retaliatory force will feature intermediate as well as long-range missiles capable of reaching any target on the earth. As we steadily go through the transition period from bomber to missile as the backbone of this striking force, we nevertheless continue replacing bombers, powerful as we know them now to be, with others of greater power, greater range, and greater speed. In this way we take care of the needs of this year and those immediately ahead, even as we plan, develop, and build for the future.

We are engaged in an endless process of research, development, and production to equip our forces with new weapons.

This process is tremendously costly, even should we consider it only in terms of money. If we are to master the problem of security over a prolonged period, we cannot forever borrow from the future to meet the needs of the present.

Therefore we must concentrate our resources on those things we need most, minimizing those programs that make less decisive contributions to our Nation. Effective defense comes first.

### **Missile Development**

Today there is no defense field to which we are devoting more talent, skill, and money than that of missile development.

I'd like to have you look at this chart showing three lists of missiles.

Type	Now in use	Available in 1959	Active research and development
Air to Air	Genie Sidewinder Sparrow I Sparrow III Falcon GAR I Falcon GAR II	Falcon GAR III Falcon GAR IV	Falcon GAR IX Falcon GAR XI Eagle
Air to Surface	Bullpup	Zuni	Corvus Hound Dog Quail
Surface to Air	Nike Ajax Nike Hercules Terrier Talos	Hawk Bomarc	Tartar Nike Zeus
Surface to Surface	Honest John Corporal Redstone Regulus I Matador Thor	Little John Lacrosse Mace Jupiter Snark Atlas	Sergeant Pershing Polaris Titan Minuteman

The first list shows 17 different types of missiles now in use by our Armed Forces. The second list shows missiles that will be available for use in 1959. There are 11 different types. The third list shows 13 more types of missiles now in the research and development stages. In all there are 41 types of missiles.

Now there is, of course, a constant parade of improvement, with newer and better weapons constantly crowding out the older and less efficient ones. The first model of any new piece of equipment is always relatively primitive. The first sewing machine, the first typewriter, the first automobile—all left much to be desired. And even the rockets that dazzle us today will soon become the Model T's—the "Tin Lizzies"—of the missile age.

We must never become frozen in obsolescence.

In addition to the forces comprising our retaliatory striking power, we have potent and flexible naval, ground, and amphibious elements. We have a growing array of nuclear-powered ships, both submarines and surface vessels.

Worldwide deployment of Army divisions, including missile units, increases the ability of the U.S. Army and the Marines to rapidly apply necessary force to any area of trouble. At home, the Strategic Army Corps is ready and able to move promptly as needed to any area of the world.

I believe that the American people want, are entitled to, can indefinitely pay for, and now have and will continue to have a modern, effective, and adequate Military Establishment. In this overall conviction I am supported by the mass of the best military opinion I can mobilize and by scientific and every other kind of talent that is giving its attention to a problem to which I personally have devoted a lifetime.

#### Strength of Our Free-World Allies

As all thoughtful citizens know, our own security requires the supplemental and reinforcing strength provided by the free world's total.

In the Far East, nations with which we are associated in a common defense system have over a million trained soldiers standing watch over the free-world frontiers.

In Europe, the efforts of 15 nations are united in support of freedom.

In global totals our friends are contributing over 200 ground divisions, 30,000 aircraft, and 2,500 combatant naval vessels to the task of defending the free world. For every soldier we have under arms, our free-world allies have five.

Through each of these stout efforts we strengthen the bonds of freedom.

Our mutual security program supports this joint undertaking by helping to equip our partners with the weapons they cannot by themselves provide and by helping them keep their economies strong.

This mutual effort provides a constructive, long-term answer to the recurrent crises engineered by the Communists. It strengthens the stability of free nations and lessens opportunities for Communist subversion and penetration. It supports economic growth and gives hope and confidence to the cause of freedom. It is America's strongest instrument for positive action in the world today.

Last Friday [March 13] I sent to the Congress a special message presenting my recommendations for this important part of our defense and security program for the coming year.<sup>3</sup> Let me repeat that definition of that program: It is an important part of our defense and security program for the coming year. In my judgment there is no better means of showing our resolution, our firmness, and our understanding of the Communist challenge than to support this program in full measure.

<sup>3</sup> For text, see *ibid.*, Mar. 30, 1959, p. 427.

These funds are vital to our national and free-world security. Any misguided effort to reduce them below what I have recommended weakens the sentries of freedom wherever they stand.

In this conviction, also, I am supported by the military experts of our Government.

#### **Standing Equal to the Challenge**

Fellow Americans, of one thing I am sure: that we have the courage and capacity to meet the stern realities of the present and the future. We need only to understand the issues and to practice the self-discipline that freedom demands.

Our security shield is the productivity of our free economy, the power of our military forces,

and the enduring might of a great community of nations determined to defend their freedom.

We Americans have been, from the beginning, a free people, people who by their spiritual and moral strength and their love of country provide the mainspring for all we have done, are doing, and will do. In those truths we place our faith.

So, together with our allies, we stand firm wherever the probing finger of any aggressor may point. Thus we lessen the risk of aggression; thus we shall with resolution and courage struggle ever forward to the dream of a just and permanent peace.

God helping us, we shall stand always equal to the challenge.

Thank you and good night.

## **U.S. China Policy**

*by Walter S. Robertson*

*Assistant Secretary for Far Eastern Affairs<sup>1</sup>*

It has become a commonplace in making speeches to each other to say that Canadians and Americans share a common heritage. It is a commonplace because it expresses an obvious truth. We do indeed share a common heritage which, in the final analysis, we would both agree far transcends in importance any of the problems which arise from time to time to vex our neighborly relations. We are indeed the inheritors of personal liberties, without which all of our material blessings would count for naught—liberties which we take for granted as we do the stars but which are now denied, and always have been denied, to the overwhelming majority of the peoples of the world.

In the seeming security of our daily routine lives it is difficult to realize that our world is in a state of crisis, that we are indeed engaged in a global struggle for the survival of a free civilization. The Far East is a strategic and critical area in this struggle. It is a vast area: 13 countries, 900 millions of people, approximately one-third of the world's population. It includes: Japan, Korea,

China, the Philippines, Viet-Nam, Laos, Cambodia, Burma, Thailand, Indonesia, Malaya, Australia, and New Zealand; 11 Asian countries and 2 Anglo-Saxon countries in an Asian setting.

The 11 Asian countries comprise a region of great diversity, divided by sharp differences in tradition, religion, culture, and circumstances. The economies range from the great industrial, mercantile complex of Japan to the primitive economies of Southeast Asia. Eight out of the 11 of these countries have achieved their independence since 1945.

Taken as a whole, the area is one of great potential wealth in both human and natural resources but, with few exceptions, suffering from mass poverty and ignorance, economic and political instability, shortage of investment capital, shortage of technicians of all kinds, shortage of educational facilities, deep resentments of Western colonialism, deep suspicions of the white man, and fears of a new exploitation. It is an area seething with a new spirit of nationalism, social unrest, and rising aspirations for a place in the sun and a better life for its poverty-stricken millions. And interrelated with and overriding all of its problems are

<sup>1</sup> Address made before the Canadian Club, Ottawa, Canada, on Mar. 13.



the aggressions, infiltrations, and subversions of the international Communists.

Now it is the policy of the United States to meet this pervasive threat by helping to build up the military, political, and economic strength of our Far Eastern allies and friends as rapidly as possible. This is the sole purpose of our mutual security programs in these countries.

Yet the governments of all of these free countries without exception have a gnawing fear of the growing power and threat of Red China. And because Red China is a major threat to their newfound independence and therefore a major threat to the security of the free world, it is essential that China policy be coldly realistic and one that best serves free-world security interests and objectives.

#### **Bipartisan Support**

I need not remind you that U.S. China policy has been a subject of bitter controversy. It has disrupted friendships, has lent itself to name calling, to the questioning of motives, and in some tragic instances to the questioning of loyalty itself. But, strange as it may seem, U.S. China policy has probably enjoyed a larger measure of bipartisan support in the United States than any other major policy of our Government.

Since 1950 the difference in basic China policy between former President Truman and President Eisenhower is the difference between Tweedledum and Tweedledee.

In early 1950, following the Communist takeover of the mainland in December 1949 and about the time of British recognition, President Truman vetoed the recommendation made to him that we recognize Red China. The Republican attack on the Democrats in the 1952 election campaign was not on basic China policy as it then was but rather on what was alleged to have been the vacillations and blunders which had helped to create the Frankenstein monster of Red China and enhance its menace to the free world. In 1956, an election year, a Democratic-sponsored resolution, reaffirming support of the Republic of China and opposing the seating of Red China in the United Nations, passed the House by a vote of 391 to 0 and of 86 to 0 in the Senate. Not a single Congressman or Senator of either party was willing to vote against this resolution. This is a phenomenon unprecedented in American political history. When the

parties later assembled for their national conventions they adopted almost identical planks in support of this policy. In the recent Taiwan crisis Mr. Truman was among the first to come out in strong support of President Eisenhower's position. To repeat, the differences of opinion about China policy do not represent differences between political parties but rather differences between individuals, irrespective of party lines.

Herbert Feis called his book on the subject *The China Tangle*. It is a good name. The controversy is indeed a tangle, a tangle of truths, untruths, and half-truths. It is entangled by Communist propaganda and distortions. The Communists will always see to it that this is so. It is entangled by the unwitting acceptance by many highly respected and intelligent Americans of the subtle propaganda and misinformation to which they are subjected. It is entangled by our early failures to recognize the origin, nature, direction, and control of the Communist revolution in China. It is entangled by the corruption and ineptness which existed in certain elements of the Kuomintang but which was exploited so as to make it appear that all Chinese Government leaders were corrupt and inept. And, finally, it is entangled by honest differences of opinion among the objective and well-informed—differences of opinion which, thank God, have always existed and always will exist concerning public questions in the kind of free society we are struggling to preserve in the world today.

#### **U.S. Policy Simple To State**

But despite the tangle and however complex it might be in implementation, our policy is simple to state. On the one hand, our policy is to face up to the realities of Chinese Communist objectives, opposing the further spread of Chinese Communist influence and power. On the other hand, as a principal means to this end, our policy is to keep alive, support, and strengthen a non-Communist Chinese Government, firmly oriented to the free world, as a foil and a challenge to the fanatical, aggressive, hostile, and threatening International Communist regime of Peiping, an implacable enemy dedicated to the destruction of all the foundations upon which a free society rests.

It is often charged that our policy is tied to the political fortunes of one man: Chiang Kai-shek.

This is a *reductio ad absurdum*. Chiang is in fact a time-tested friend and ally. He has never broken his word to us or an agreement with us. Following Pearl Harbor in 1941 all of the Western powers were soon swept from the Western Pacific. We were swept about as far as we could be swept this side of the South Pole—Melbourne, Australia. When the Japanese had Chiang bottled up in Chungking, having occupied all of his ports of entry and large sections of his country, and Chiang with no ally within thousands of miles, they made him a princely offer to sell out to them. He refused, fighting on against overwhelming odds. This refusal saved thousands of Allied lives. Had he sold out, there would have been released from 1½ to 2 million additional Japanese troops to oppose our advance from the south.

He refused to sell out to the Russians. After the Russians had occupied Manchuria—that great prize which they received for 5 days of nominal participation in the Pacific war and, incidentally, the most strategic base in all of Asia for carrying out their objectives of communizing Asia—they invited Chiang to come into their economic orbit, saying that they would settle his Communist problem for him. He rejected this offer, and they retaliated by refusing to allow the United States to transport troops of the Nationalist Government into Manchuria to take over territory in accordance with solemn agreements to which the Soviets were party. Instead, the Soviets turned over vast areas and Japanese arms and equipment to the Chinese Communists. This despite the fact that on August 14, 1945, the day the Japanese surrendered, the Soviets had signed a treaty with the Republic of China acknowledging its sovereignty over Manchuria and pledging all moral, material, and military support to that Government.

And finally, Chiang has repeatedly refused to sell out to Peiping, which constantly plies him with lavish offers.

Be all this as it may, if Chiang should die tonight, the validity of our policy would in no way be affected. Today, as in the past, there are only two choices available to us: the anti-Communist Republic of China, our friend, or the International Communist regime of Peiping, a deadly enemy dedicated to our destruction.

In Chungking back in 1945, some of my friends and associates thought that the Democratic League offered a third force which we should cultivate

and support. It was later recognized as a Communist-front organization designed to ensnare the middle-of-the-road intellectuals.

#### **Basis for Nonrecognition of Red China**

Our opposition to the Red regime is not, as you are often told, based upon the disapproval of an ideology or an economic system, much as we abhor both. We recognize many totalitarian regimes with varying economic systems, and we have not refused to sit down with them in the world forum of the United Nations. Nor is our policy, as sometimes charged, based upon an emotional reaction to the Korean war. Our policy is a coldly realistic one, based upon three major considerations, all directly related to the overall collective security of the free world.

The first of these considerations is the security interest of the United States. It is often forgotten or ignored that the recognition of Red China would, as a practical matter, mean the liquidation of the Republic of China with all that would mean to our strategic, psychological, and moral position in our opposition to Communist expansion in the Far East. Taiwan is a vital link in our island chain of defenses in the Pacific, all now covered by bilateral defense treaties. The Chinese military forces on Taiwan of some 600,000 are an important factor in the military balance of power in the Pacific and a continuing deterrent to the renewal of Communist aggression in Korea or elsewhere in Asia. If Taiwan should be given over to the Communists, Japan, the Philippines, and all of Southeast Asia would be seriously threatened.

The second basic consideration is our interest in helping other Asian nations maintain their national independence. Our bilateral and multilateral defense treaties, as well as our mutual security programs, are designed to this end. If the United States were to abandon its commitments to the Republic of China in order to appease the threatening Red Chinese, no country in Asia could feel that it could longer rely upon the protection of the United States against the Communist threat. These comparatively weak nations would have no alternative but to come to terms—the best they could get—with the Peiping colossus. Not only could we then expect a rapid expansion of communism throughout Asia, but the moral

position of the United States upon which we must rely for much of our strength throughout the world would suffer irreparable damage.

The third major consideration is the long-range interests and future orientation of the Chinese people themselves. The anti-Communist Government of the Republic of China is a symbol of Chinese opposition to communism—the only rallying point in the world for non-Communist Chinese, the only Chinese alternate focus of loyalty for millions of Chinese on the mainland, on Taiwan, and throughout Southeast Asia. If the Republic of China should be liquidated, it would extinguish a beacon of hope for millions of mainland Chinese. Taiwan's 10 million would be delivered to the slavery of the mainland, and the 12 million overseas Chinese would automatically become increasingly dangerous cells of infiltration and subversion in the countries where they reside.

Let no one say that representation is being denied to 600 million mainland Chinese. The fanatical Marxists of Peiping come no closer to representing the will and aspirations of the Chinese people than the puppet regime of Budapest comes to representing the will and aspirations of the Hungarian people or William Z. Foster comes to representing the will and aspirations of the American people. They have given indisputable evidence that they are part and parcel of the apparatus of the international Communist conspiracy to communize the world.

#### **Peiping's Unity With Moscow**

Back in the 1940's, when the Chinese Communists were being reported by some observers as not being real Communists but rather the leaders of a democratic revolution for agrarian reform, Mao Tse-tung was writing of himself, "I am a Marxist dedicated to communizing China and the world under the leadership of Moscow." All of his subsequent actions have borne out his dedication to that goal. Peiping has demonstrated its unity with Moscow by faithfully following the labyrinthine twistings and turnings of Moscow's ideological line on bloc and world affairs. When there were rumblings of revolt in Eastern Europe, Mao sent Chou En-lai to rally the wavering satellites into unity "under the leadership of Moscow." In November 1957, when Mao visited

Moscow, he spoke to the students, including many Chinese, of Moscow University: "In the association of Socialist states," he said, "there must be a leader and that leader is Moscow."

Despite the price it had to pay in Asian opinion, Peiping proclaimed vigorous approval of Moscow's bloody suppression of the Hungarian revolt. It publicly applauded the execution of Nagy. Mao's bitter denunciation of Tito was not because Tito was not a Communist but rather because he dared to challenge the leadership of Moscow. Most recently, at the 21st Congress of the Soviet Union in Moscow, Chou En-lai addressed the Communists in these words: "The most sacred international duty of Communists in all countries at any time is to strengthen the unity of the countries in the socialist camp headed by the Soviet Union." Chou En-lai said to me one day in Chungking back in 1945, "Why do Americans come over here and go back and write that we are not Communists, that we are just agrarian reformers?" Then, with a light in his eyes, he said, "We are not agrarian reformers; we are Communists, and we are proud of it!"

The Peiping regime was imposed by force with the volition of only an infinitesimal fraction of the Chinese people. Today, after 9 years, less than 2 percent belong to the Party. It has kept itself in power by bloody purges and the liquidation of some 18 million of mainland Chinese in 9 years. No regime representative of its people would have to resort to wholesale murder in order to keep itself in power.

#### **An Outlaw Regime**

In our view the security interests of ourselves, of Asia, and of the free world as a whole demand that we take no action which would create international prestige for this regime, which would increase its capacity for advancing its objective of communizing all of Asia, or which would betray the hopes of those having the will and the courage to resist it.

Even if no security interests were involved, there is no basis either for the recognition of Peiping by the United States or for admission of that regime to the United Nations. By every standard of national and international conduct, it has proven itself to be an outlaw regime.

Take first the question of recognition by the



United States. Since the days of Jefferson, diplomatic recognition of a government by the United States has involved two major tests. The first test is whether the act of recognition would be in the interests of the United States. In our view the diplomatic recognition of Red China would not be in our country's national interests for reasons I have already mentioned. The other test for diplomatic recognition involves not only *de facto* control of territory but also the ability and willingness to live up to international obligations. What is the record of Peiping by this standard?

Gaining control of the mainland in December 1949, it promptly repudiated the international obligations of China. It confiscated without compensation properties of other nationals valued in the hundreds of millions of dollars, something over \$1 billion for the United Kingdom alone. It demanded and received as blackmail money hundreds of thousands of dollars additional before it would issue exit visas for the personnel operating these properties. It threw foreign citizens into jail without trial and subjected many of them to the most inhuman tortures. It has flagrantly violated the Korean and Indochina armistice agreements. It has failed to live up to its commitment to us, reached after long negotiation and publicly announced in Geneva on September 10, 1955, to release expeditiously all American citizens imprisoned in China.<sup>2</sup> Five are still being held as political hostages.

If any of you are inclined to say that, if we can tolerate the broken agreements of the Soviets, we should be able to overlook the long record of broken agreements by the Red Chinese, I would remind you that Soviet perfidy in breaking international agreements followed rather than preceded recognition by the United States.

The Bolsheviks seized power in 1917. Nevertheless we continued for 16 years to recognize the Kerensky government-in-exile. By 1933 it seemed that the Communist regime in Moscow might indeed be considered a peaceful member of society. It had committed no action of armed aggression for more than a decade. It had accepted the independence of Estonia, Latvia, Lithuania, and Poland—all later betrayed. It pledged itself to cease its subversive activities in the United States, to respect American rights in Russia, and to settle

Russia's public and private debts to the United States.

We need not question that action of recognition under the circumstances which prevailed at the time. However, who can now doubt that recognition would not have been accorded even in 1933 had there been clear warning that Soviet promises given in that connection were totally unreliable and that aggressive war would soon become an instrumentality of Soviet policy. In the case of Communist China, we have been clearly and unmistakably forewarned.

#### Question of U.N. Membership

Now how does Communist China qualify for membership in the United Nations?

You will remember when the United Nations was organized in 1945 it was exhaustively debated whether membership should be based upon universality or whether there should be qualifications for membership. It was decided that universality was not the test but rather that an applicant must fulfill certain qualifications. The charter finally adopted provides that only peace-loving nations willing to assume and live up to the obligations of the charter are eligible for membership. It further provides for the expulsion of members who violate the charter.

Is Red China a peace-loving nation?

Let us again look at the record. In February 1950, approximately 2 months after establishing its regime on the mainland, it issued a call to all the peoples of Southeast Asia to overthrow their governments, denouncing their leaders as puppets of the imperialists. Before the year was out, it invaded Tibet, even though the Peiping regime had just promised the Government of India that it "would settle the Tibetan question by peaceful means." Nine years later it is still engaged in fighting the rebellious Tibetans. Also, before the year was out, it invaded Korea. For the Korean aggression it was denounced by United Nations resolution as an aggressor against the peace of the world.<sup>3</sup> That resolution is still outstanding, and Red China is still defying the United Nations, charging that the United Nations are the aggressors in Korea and therefore without moral competence to supervise free elections for the unification of the country. Today Red China is still

<sup>2</sup> For text of announcement, see BULLETIN of Sept. 19, 1955, p. 456.

<sup>3</sup> For text of resolution adopted on Feb. 1, 1951, see *ibid.*, Jan. 29, 1951, p. 167.



threatening war in the Taiwan Strait, stubbornly refusing throughout 87 meetings in Geneva and Warsaw to renounce war as an instrument of national policy. Its philosophy was recently expressed by the Peiping Defense Minister in this language: "Ours is a policy of fight-fight, stop-stop—half-fight, half-stop. This is no trick but a normal thing."

By no stretch of interpretation of the United Nations Charter could Red China qualify under that charter as a peace-loving nation eligible for membership. Those advocating membership for Peiping are not demanding that Red China change its ways and conform its policies to United Nations standards but rather are insisting that the United Nations modify its standards to accommodate the lawlessness of Peiping. Those who are opposed to such denigration of the United Nations Charter are charged with being unrealistic and denying the existence of 600 million Chinese.

#### A Majority Position

You might think from much of what you read in the press that the U.S. occupies an isolated position in its refusal to recognize Red China. I would remind you that, of the free countries of the world, 44 recognize the Republic of China, 22 recognize Peiping. Many of the 22 recognized Peiping before it had demonstrated its lawlessness. Of the 13 countries of the Far East, only 3 recognize Red China. Instead of being isolated, we stand with the overwhelming majority of the countries of the free world in this position. It is essential that this majority continue to stand together. Other countries, particularly those most exposed to the immediate menace of Communist power, have been following the lead of such countries as yours and ours. Many of them are watching anxiously to see what we are going to do. If we should begin to break ranks and withdraw opposition to the reckless course of this aggressor, these countries would have no alternative but to get on the bandwagon so as not to be left out on a limb of opposition, deserted by strong free-world support.

I believe you will agree that the United States is the main military obstacle to Communist overt aggression in Asia. You might be interested in an evaluation of the Asian situation during the time of the Taiwan crisis by the Far East expert of the London *Economist* published October 11 last:

America's underlying dilemma . . . might be summed up in the words: "Little Brother is watching you." Anxious little brothers are indeed watching the United States from all sides, and their anxieties are of excruciatingly contradictory kinds. When Mr. Dulles talks tough about Quemoy, European stomachs flutter; but when he seems to be giving even a mere inch of ground, Far Eastern hearts sink. The Quemoy drama is being played out with the ringside seats occupied by uneasy Japanese, Koreans, Vietnamese, Filipinos, and other Asian peoples who must take into account the possibility that some day American power may withdraw altogether across the wide Pacific, leaving them alone with the newborn Chinese giant. . . . And they recall that for years Peking and Moscow have canvassed twin projects for "mutual security" systems in Asia and in Europe, both of which would exclude the United States, so that China would be the dominant power in one sphere, Russia in the other. It is the complete disappearance of the American "presence" from the scene that the communists are after. And whether anti-western feeling and neutralism are weak or strong in these Asian countries and whatever their public postures, they know well enough that if the eagle once takes flight, the dragon—and perhaps the bear too—will have to be propitiated.

If America really retires, China's immediate neighbors will inevitably again become China's vassals—not necessarily by military conquest, but by the impossibility of their resisting for long the pressure which their huge and dynamic neighbor can put upon them in many forms.

Our view of the China situation is the same as that we hold with respect to the other three divided countries of the world where the Communists now exercise *de facto* control over large areas of territory. We consider it to be in our national interest and in the interest of the free world as well to recognize the Republic of Korea, not the Communist regime of north Korea; to recognize the Republic of Viet-Nam, not the Communist Viet Minh regime of Ho Chi Minh; to recognize the Federal Republic of Germany, not the Communist East German regime. In none of these countries do we advocate the use of force to achieve unification, nor do we advocate the use of force for the unification of China. In fact, the contrary was recently proclaimed in the joint communique of President Chiang Kai-shek and Secretary Dulles in Taiwan in October of last year.<sup>4</sup>

It is now being stated in certain quarters that we are drifting to a two-China policy. We do not have a two-China policy any more than we have a two-Korea policy, a two-Viet-Nam policy, or a two-German policy.

In closing I should like to mention an ancient Chinese proverb. It is in the form of question and

<sup>4</sup> For text, see *ibid.*, Nov. 10, 1958, p. 721.

answer. "What is the cure for muddy water?" the question goes; "Time" is the answer. In the long rollcall of history, nazism and fascism will be episodes only, dark incidents if you will. So, too, will communism be, although the most evil and pervasive of the three. Man will not permanently endure the cruel enslavement imposed by the ruthless regimes of international communism. But his liberation will be immeasurably delayed by frustrated appeasement of the forces which enslave him. An awful responsibility rests upon us—upon our patience, upon our steadfastness, upon our courage, and, above all, upon our strength. How we counter the menace now posed to our freedom will determine the climate of the world for as far into the future as we can see.

### **Under Secretary Dillon To Attend SEATO Council of Ministers Meeting**

Press release 192 dated March 16

Under Secretary for Economic Affairs Douglas Dillon will head the U.S. delegation to the fifth annual Southeast Asia Treaty Organization Council of Ministers meeting at Wellington, New Zealand, April 8-10. He will be accompanied by Assistant Secretary for Far Eastern Affairs Walter S. Robertson and Department of State Counselor G. Frederick Reinhardt. Other members of the delegation will be announced later. The Council will review the accomplishments of the year and approve plans for future activities and development of the organization.

Following the Wellington meeting Mr. Dillon, Mr. Robertson, and Mr. Reinhardt will go to Baguio, the Philippines, for the annual meeting of American ambassadors in the Far East.

### **Letters of Credence**

#### *Cuba*

The newly appointed Ambassador of Cuba, Ernesto Dihigo y López Trigo, presented his credentials to President Eisenhower on March 16. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 190.

### **President of El Salvador Concludes Talks With President Eisenhower**

White House press release dated March 13

#### **JOINT STATEMENT**

President José María Lemus, of the Republic of El Salvador, today concluded a three-day State Visit to Washington, departing for New York at 9:15 a.m.

During the course of the State Visit President Lemus and the President of the United States held useful discussions on matters of interest to both countries. These talks dealt primarily with United States-El Salvador relations but also included an exchange of views on significant developments in inter-American affairs.

While in Washington President Lemus addressed a Joint Meeting of both houses of Congress, and he and members of his Party conferred with the Acting Secretary of State and other United States Government officials. After leaving Washington President Lemus will visit New York, Springfield, Illinois, Houston, Texas, and New Orleans and will meet governmental, cultural, and business leaders.

#### **I.**

The two Presidents reaffirmed the traditional close ties of friendship and cooperation between their countries and are confident that the people of El Salvador and the United States will continue to enjoy the benefits of this close association in the future. The Chief Executives of the two countries recognized that these relationships are based upon mutual respect and upon loyalty to the same principles of democracy and individual rights. The two Presidents noted the fact that the United States and El Salvador continue to stand shoulder to shoulder with those nations of the world acting in defense of these worthy objectives and would continue to strive for peace and justice.

#### **II.**

The two Heads of State discussed the problems created for the coffee-producing nations, including the Republic of El Salvador, by the decline of coffee prices in the world market. It was recognized that the health of the economy of El Salvador is heavily dependent upon export earnings for this commodity and that the United States is

deeply interested in the situation of the coffee-producing countries. It was agreed that the two countries would continue to work through the Coffee Study Group to seek, in cooperation with principal coffee-producing and consuming nations, reasonable ways of ameliorating the general situation in the world coffee trade.

### III.

The President of El Salvador and the President of the United States discussed recent developments in the field of the economic integration of Central America and creation of a common market in that area. It was agreed that the establishment of an economically sound system for the integration of the economies of the Central American Republics and for a common market comprising those nations would be beneficial and would receive the support of the Governments of El Salvador and the United States. The two Presidents agreed that these steps could make a significant contribution to the industrial development of Central America, to the stimulation of capital investment in those nations, and to the steady improvement of the welfare of the people. This subject will receive continued study by the two Governments with a view to taking appropriate action to carry on those sound plans already contemplated.

### IV.

The two Presidents discussed the proposals to establish an Inter-American Development Banking Institution and agreed upon the need to act in support of sound plans to establish such an institution. They recognized the need for stimulation of Latin American economic development through increased availability of capital from both public and private sources on a sound basis. It was agreed that such an inter-American institution, when properly established, would be a valuable supplementary source of capital for the nations of Latin America. In accordance with this position the United States would also continue its present loan programs in Latin America.

### V.

President Lemus and President Eisenhower were deeply aware of the need for the greatest possible mutual understanding among the Ameri-

can Republics and believe that the understandings reached and the personal relationships developed will contribute to the steady strengthening of the traditionally close inter-American ties.

JOSÉ MARÍA LEMUS

DWIGHT D. EISENHOWER

## U.S. Suggestions for Promoting Economic Development of Americas

Press release 169 dated March 10

*The State Department on March 10 made public the text of the following statement of "United States Suggestions for Promoting the Economic Development of the Americas." Copies of this statement were made available to the delegations of the other Government members of the Committee of 21<sup>1</sup> on February 28, 1959.*

The Delegation of the United States is pleased to set forth herewith the views of its Government on the approach it believes could be employed most effectively in promoting economic development in the Americas.

### 1. General

Between the years 1950 and 1957 there was a 4.5% average annual rate of growth in the gross national product of Latin America, a rate which substantially exceeded the rate of growth in the United States and most, if not all, other areas of the free world. There is good reason to expect that this rate of growth can not only be maintained but accelerated, assuming a continuation of inter-American cooperation and the pursuit of sound economic policies by all of the American states.

If, however, we speak of increasing *per capita*, as distinguished from national, income, it is necessary to take into account the rate of population growth in the area. Only a half century ago all of Latin America had 61 million inhabitants. Today the figure stands at approximately 185 million. Forty years from now, if the present rate continues, population will treble again and, by

<sup>1</sup> For background, see BULLETIN of Jan. 26, 1959, p. 144.



the turn of the century, stand at almost 600 million. The United States and Canada, by comparison, will have, according to these estimates, only 312 million inhabitants at the turn of the century.

The United States has therefore on various occasions expressed its agreement with the thesis that the task of increasing *per capita* income is, in view of the projected rapid increase in population, so formidable that it must be attacked on all fronts by all of the American states. Not only must account be taken of the private capital and technical know-how required to create employment for those who today are under-employed or unemployed but also of the need to create new jobs for an ever larger number of workers. In addition to the expansion of industry and agriculture which this implies, very large additional amounts of public funds will be required for facilities which only governments can provide; for example, highways, sanitation facilities, hospitals and schools.

In these circumstances it will be necessary substantially and rapidly to increase production.

A dynamic rate of economic growth is possible within a democratic system of government which respects the dignity of man and attends to his essential needs, both material and spiritual, provided there is a concerted effort on the part of individuals to expand production supported by the continuous administration of sound government policies. The rapidity with which the national product can be increased depends in large measure on the sacrifice which peoples and governments elect to make.

It is against this general background that the Government of the United States considers that all facets of the problem of increasing living standards need to be appraised. These facets can be divided into various specific separate categories.

## 2. Specific

### (a) *Increasing the Flow of Public Funds Into Economic Development Projects.*

It would not be appropriate for the United States to pass judgment on the feasibility of the adoption by other governments of policies to encourage domestic savings and to mobilize larger amounts of domestic capital for investment and productive enterprise.

Insofar as the United States is concerned, there have existed for some time very heavy taxes on individuals and corporations. Notwithstanding these tax burdens, the United States in recent months has, within the spirit of Operation Pan America, undertaken to increase in very substantial amounts its public funds available for economic development assistance to Latin American countries.<sup>2</sup> The magnitude of such amounts is indicated by the following specific actions of the Government of the United States:

(a) Current negotiations for the formation of an inter-American financial institution, the total capital of which should initially approximate \$1 billion, a substantial proportion to be contributed by the United States;

(b) A recent increase of \$2 billion in the lending authority of the Export-Import Bank, which conducts close to one-half of its total operations in Latin America;

(c) President Eisenhower's request of February 12, 1959 for Congressional authorization to increase the United States contribution to the International Monetary Fund by \$1,375,000,000.<sup>3</sup> This will facilitate increased quotas for Latin America and would thus materially assist countries in balance-of-payments difficulties.

(d) President Eisenhower's request of February 12, 1959 for Congressional authority to increase by \$3,175,000,000 the contingent liability of the United States to facilitate the doubling of the lending facilities of the International Bank for Reconstruction and Development.<sup>3</sup> A substantial proportion of this increase may be expected to be utilized in Latin America.

(e) Increased resources for the Development Loan Fund. Requests have been made to the United States Congress for a supplementary \$225 million for fiscal year 1959 and \$700 million for fiscal year 1960.

We agree that even larger amounts of public funds from all American Governments will be required for economic development in the future.

<sup>2</sup> For remarks by Under Secretary Dillon before the Special Committee of the Council of the Organization of American States To Study the Formulation of New Measures for Economic Cooperation, together with a declaration approved by the Committee at its closing session, see *ibid.*, Jan. 12, 1959, p. 48.

<sup>3</sup> *Ibid.*, Mar. 9, 1959, p. 347. For statements by Under Secretary Dillon and Secretary of the Treasury Robert B. Anderson, see *ibid.*, Mar. 30, 1959, p. 445.



While the Government of the United States is unable, by the nature of the democratic process, to make further commitments at this time for fixed amounts over a period of years, it may confidently be expected that the United States people and Government will cooperate wholeheartedly in supporting the efforts of other Governments to increase the rate of development, looking toward fulfillment of the American aspiration of improving the living standards of all the Americas.

*(b) Increasing the Flow of Private Funds Into Economic Development Projects.*

The ability of all American Governments to provide funds through taxation for economic development is limited. The magnitude of the task, rather than doctrinaire reasons, requires, therefore, that new efforts be made to attract larger and larger amounts of private capital to supplement public funds.

In the past few weeks various delegations have considered measures which can be taken by the capital importing and capital exporting countries to facilitate a greater flow of private investment.

The United States would also support sound programs for increasing domestic savings and mobilizing them for investment in productive enterprise.

*(c) The Need for Better Planning of Economic Development.*

The Government of the United States shares the view that there is an urgent need for better development planning.

Differences in the economies of the various American nations suggest that planning would be more meaningful and effective if it be done on a national basis. We have three specific suggestions in this regard:

First, a draft proposal has been submitted for certain economic studies to be undertaken by the Secretariat of the Inter-American Economic and Social Council on a country-by-country basis. These studies should, by developing basic data regarding economic development in each country, prove most useful to governments in their economic development planning.

Second, there should be created within the new inter-American banking institution a technical assistance department, staffed with the best technicians available, for the purpose of advising with

governments concerned on the formulation of economic development policies and plans, assigning priorities among projects and assisting in the preparation of projects for both public and private financing. Firmly believing that this type of assistance will be of prime value, the United States has stated its support of the proposal that it be established. The draft charter of the new organization deals with this subject.

Third, the United States has suggested an annual high-level meeting of economic experts to exchange, on an informal basis, information and views on current economic problems, particularly as they relate to economic development. This would provide all governments with an opportunity to review periodically the progress being made and to exchange ideas for improvements that could be made in their individual and common efforts.

*(d) Increased Trade as a Means of Promoting Economic Development.*

The United States considers that increased trade between Latin America and the free world is indispensable to rapid economic development. Although conscious that under the democratic system which we all cherish and defend occasional setbacks will be suffered, we have and will continue to cooperate, within the framework of the GATT [General Agreement on Tariffs and Trade], to remove barriers to international trade, including especially barriers to the sale of Latin American primary products.

Within this principle of increased international trade, the United States also supports the efforts of Latin American Governments to create, in cooperation with ECLA [Economic Commission for Latin America], one or more regional markets designed to increase trade within the area, to provide larger international markets, and to improve efficiency of production through competition so that more goods may be made available to the public at cheaper prices.

*(e) Search for Means To Prevent Excessive Fluctuations in the Prices of Primary Products as a Means of Promoting Economic Development.*

The Governments of the American states are already aware of the cooperation of the United States in facilitating international arrangements by exporting countries to stabilize the coffee market.

While we do not believe that commodity agreements, in general, serve the objective of obtaining more efficient production and distribution, we recognize that they may serve temporarily to avert severe economic dislocations and to furnish time for governments to remove basic causes of imbalances and we have therefore also cooperated in the search for ways of bringing world production of lead and zinc into better balance and stand ready to examine other problems on a commodity by commodity basis. The United States is participating in the preparation of a draft resolution on this subject. Work is actively proceeding.

(f) *IA-ECOSOC Consultation.*

Some American Governments have suggested from time to time that inter-American consultations and understanding on economic problems of hemisphere interest would be facilitated by the constitution of the IA-ECOSOC [Inter-American Economic and Social Council] as the OAS forum for this purpose.

(g) *Sound Economic Policies.*

An indispensable aspect of the problem of economic development is the continuous application of sound monetary and fiscal policies. In recent years, progress has been made in obtaining a better public understanding of this problem, and some governments are already taking courageous measures to restore confidence in their currency and to put into effect policies which facilitate sound and rapid development. The Government of the United States continues to offer its cooperation in programs designed to accomplish this objective. The increased financial resources which have been made available to the Export-Import Bank and which are to be made available to the International Monetary Fund under current United States policies should make this cooperation even more effective.

(h) *Need for Low Cost Housing.*

The need for adequate low cost housing in Latin America constitutes a major problem which requires adoption of effective policies and programs by the various governments. Convinced through experience that private investment offers the most promising source for housing development, the United States is recommending specific technical and other assistance designed to aid in

development of savings and loan institutions in order to mobilize savings which can be utilized under appropriate Government guidance and insurance, both of savings and of mortgages. Of similar importance is the need of technical assistance to the housing construction and building materials industries.

(i) *Support for Increased Agricultural Cooperation.*

Agriculture as a principal economic activity of the Latin American countries offers an area in which inter-American cooperation can prove most fruitful. The Inter-American Institute of Agricultural Sciences is the agency of the Organization of American States dedicated to the improvement of agriculture in the Americas through training and research activities. Reaffirmation of the need to strengthen the activities of the OAS in the agricultural field is highly desirable, as is also recommendation for the fullest possible support and participation of all member states in the Inter-American Institute of Agricultural Sciences.<sup>4</sup>

### 3. Concluding Comments

Doubtless the proposals referred to above, if they meet with the agreement in principle of others, will be modified and perfected in many respects.

The Government of the United States takes this opportunity to reiterate its support of Operation Pan America, so well stated by President Juscelino Kubitschek.<sup>5</sup> In fact, the United States has doubly welcomed President Kubitschek's initiative, which it believes restates a fundamental attitude inherent to but transcending our current deliberations.

It has been within this concept that the United States has already taken significant initiatives, some involving major policy changes. As these are directed toward the objectives expressed in Operation Pan America, they do, in fact, constitute an integral part of the operation itself.

<sup>4</sup> For a U.S. statement on the signing of the Protocol of Amendment to the Convention on the Inter-American Institute of Agricultural Sciences on Jan. 7, see *ibid.*, Jan. 26, 1959, p. 126.

<sup>5</sup> For an exchange of correspondence between President Eisenhower and President Kubitschek of Brazil, see *ibid.*, June 30, 1958, p. 1090.

As such, it is the belief of the United States that these initiatives will serve to supplement the measures and recommendations now in preparation in the Working Group of the Committee of 21.

The problem of increasing productivity at a pace adequate to meet the needs of the fast-growing populations of Latin America is perhaps the most important challenge of our times. It can be met if the American peoples and their governments each take the necessary measures in the same spirit of cooperation which characterizes inter-American relations. The people and Government of the United States will, within the limits of their ability, bear their share of the burden.

FEBRUARY 28, 1959

## **U.S. and Industry Leaders Discuss European Coal Situation**

Press release 182 dated March 13

Representatives of U.S. coal producers, exporters, and mine workers met on March 13 with W. T. M. Beale, Deputy Assistant Secretary of State for Economic Affairs, to discuss current developments in the European coal situation. Elmer Bennett, Under Secretary, and Royce A. Hardy, Assistant Secretary, Department of the Interior, and Millard Cass, Deputy Under Secretary of the Department of Labor, also participated. This was the fourth meeting in the continuing consultations between leaders of the U.S. coal industry and Government officials that have taken place since last September, when the Federal Republic of Germany imposed licensing controls on coal imports.<sup>1</sup>

Reports of action by the European Coal and Steel Community in dealing with the coal problem on a Community-wide basis were the focal point of the discussion. Mr. Beale outlined the proposals which the ECSC was considering and which involved curtailment of U.S. coal exports to Europe. He reported in detail on the steps which had been taken by the U.S. Government to safeguard the interests of the U.S. coal industry in this important European market. He outlined a program of continuing action which the U.S. Gov-

ernment was following in its efforts to mitigate the adverse effects of the European coal surplus problem on the American coal industry. The U.S. coal industry and the U.S. Government representatives agreed that strong efforts should be made to prevent the burdens involved in bringing about an adjustment in European coal production from being imposed primarily on foreign coal exports to Europe. Additional comments and suggestions which the U.S. coal industry and labor representatives offered will be taken into account by the U.S. Government in its efforts to foster and protect U.S. coal exports to the European market.

Representatives of the U.S. coal industry present at the meeting included: D. T. Buckley, Castner, Curran & Bullitt, Inc., and the Coal Exporters Association of the United States, Inc.; James W. Haley, Jewell Ridge Coal Sales Co., Inc., Washington, D.C.; S. T. Hutchinson, General Coal Co., Philadelphia; Peter F. Masse, C. H. Sprague & Son Co., New York; F. F. Estes, Executive Secretary, Coal Exporters Association; and John Owens, representing the United Mine Workers' Union of America.

## **U.S.S.R. Selects Final Four Films Under Exchange Agreement**

Press release 202 dated March 19

The Department of State announced on March 19 that it has been notified by the Soviet Union of its selection of the final 4 of the 10 pictures purchased from American film companies under the cultural, technical, and educational exchange agreement between the United States and the U.S.S.R.<sup>1</sup> The four motion pictures selected are: "Rhapsody," "Man of a Thousand Faces," "The Seventh Voyage of Sinbad," and "Beneath the Twelve Mile Reef."

The six pictures previously selected by the Soviet Union to be purchased under the agreement from American companies are: "Lili," "The Great Caruso," "Oklahoma!," "The Old Man and the Sea," "Marty," and "Roman Holiday."

<sup>1</sup> For text of agreement, see BULLETIN of Feb. 17, 1958, p. 243; for text of a memorandum of agreement on film exchanges, see *ibid.*, Nov. 3, 1958, p. 697.

<sup>1</sup> For background, see BULLETIN of Oct. 13, 1958, p. 578.

With this announcement the Soviet Union has selected the 10 films which they have agreed to purchase as an initial step in carrying out the provisions of the motion picture section of the cultural agreement.

Seven Soviet motion pictures have been selected by U.S. film companies for distribution in the United States. The titles of these films are: "The Cranes Are Flying," "Swan Lake," "Circus Stars," "Othello," "Don Quixote," "Quiet Flows the Don," and "The Idiot."

Arrangements are currently being discussed regarding a premiere to be held in Moscow and Washington of the first film released in each country under the terms of this agreement.

## **DLF Releases Summary of Loans to Date**

Press release 175 dated March 11

The U.S. Development Loan Fund to date has made or approved 71 loans totaling \$631,756,000 to public and private borrowers in 33 countries according to a listing made public on March 11. In addition, \$5,800,000 worth of DLF loans have been approved but letters of advice containing basic terms have not yet been laid before the loan applicants; and a further \$46,250,000 have been committed by the DLF to cover loan programs in advance of agreement on specific projects. DLF loan commitments to date thus total \$683,806,000.

The Development Loan Fund is a U.S. Government corporation established to help individuals and governments develop the economic resources and productive capacities of free nations. It lends money for constructive purposes for which capital cannot be obtained from other sources, accepting repayment in local currencies if necessary.

The new list includes brief descriptions of all loans signed or approved by the Fund from its inception on June 30, 1957, through February 28, 1959. Copies are available at the DLF offices at 1913 I Street NW., Washington 25, D.C.

The list shows that DLF loan operations to date break down as follows:

Fourteen loans totaling \$50,040,000 to borrowers in 10 Latin American countries;

Seven loans totaling \$28,840,000 to borrowers in 5 countries in Africa;

Five loans totaling \$53,100,000 to borrowers in 3 European countries;

Nine loans totaling \$112,200,000 to borrowers in 5 countries in the Near East;

Seventeen loans totaling \$248,450,000 to borrowers in 3 countries in South Asia; and

Nineteen loans totaling \$139,126,000 to borrowers in 7 Far Eastern countries.

The principal borrowing countries were India, with 7 loans totaling \$175,000,000; Pakistan, with 7 loans totaling \$70,200,000; Iran, \$47,500,000 (one loan); and Taiwan (Formosa), with 8 loans totaling \$39,486,000.

## **Development Loans**

### *Malaya*

The United States and the Government of the Federation of Malaya on March 18 signed two agreements by which the U.S. Development Loan Fund will lend the Federation up to \$20 million to assist in construction of roads and bridges throughout the Federation and the development of deep-water port facilities in the North Klang Straits. (For details, see Department of State press release 200 dated March 18.)

### *Republic of China*

A \$686,000 loan to the Land Bank of Taiwan to help expand the fishing industry of the Republic of China, an important source of food for the island's expanding population, was signed on March 18 by officials of the U.S. Development Loan Fund and the Chinese Embassy. (For details, see Department of State press release 198 dated March 18.)



## The Mutual Security Program—An Indispensable Support to U.S. Foreign Policy

*Following are statements made before the House Foreign Affairs Committee, during hearings on mutual security legislation, by Acting Secretary of State Christian A. Herter, Under Secretary of State Douglas Dillon, Secretary of Defense Neil H. McElroy, and Gen. Nathan F. Twining, USAF, chairman of the Joint Chiefs of Staff.*

### STATEMENT BY ACTING SECRETARY HERTER, MARCH 16

Press release 186 dated March 16

Secretary Dulles has asked me to convey to you his regret that he cannot be with you to open these hearings on the mutual security program.<sup>1</sup> As you know, he believes most deeply that this program is of vital importance to the American people and that it is an indispensable support to the conduct of our foreign policy. I am sure you are aware that the proposals now before you were prepared under Secretary Dulles' direction earlier in the year.

I think you know my own feeling about this program. I have followed it with the greatest interest since before the inauguration of the Marshall plan. I look back with a great deal of satisfaction to the opportunity I had to work with many members of this committee and others still in the House on the development and enactment of that program. I also recall with appreciation my association with this committee in the development of the military assistance program and in the development and enactment of the point 4 technical cooperation program.

One of my first responsibilities on returning to Washington in 1957 was to help work out plans for the Development Loan Fund—that important

advance in the mutual security program acted upon by your committee 2 years ago.

I mention these programs because they still constitute major categories of the mutual security program. I mention them further because I recall so clearly how in enacting these measures the Congress believed it was providing the executive branch with tools necessary to the successful conduct of our foreign relations. Yet at the same time many of us felt concern, which I shared, as to how well the programs would work. I feel that I can report to you from my personal experience of the 2 years I have now spent in the Department of State that I have found that our hopes for the effectiveness of these programs have been realized to an unusual degree.

### I. Our Mutual Security Program—Essential to Survival as a Free Nation

The essence of my experience and of my belief is that the military, economic, and technical programs of our mutual security system—developed over the last 10 years—are vital instruments of our security. If we do not persist in their vigorous and continued application, our foreign policy will become ineffective.

In the face of the great challenges which confront our country—and indeed the entire free world today—the mutual security program now before you is fundamental to the peace of the world, our own future welfare and progress, and in the years ahead the survival of our American Nation and our American way of life as we now know it.

### II. The Challenges We Face

These great challenges with which we are faced are three in number.

Most immediate is the threat of Communist imperialism. The world's second most powerful na-

<sup>1</sup> For the President's message to Congress on the mutual security program, see BULLETIN of Mar. 30, 1959, p. 427.

tion, the Soviet Union, together with the most populous, Communist China, have the clearly announced intention of imposing their way of life over the rest of the world. The Sino-Soviet leaders have pursued their course with energy and skill. They dominate a third of the world's peoples—populations expanding at a startling rate. They have at their disposal great resources, strong military forces, highly developed scientific and technical capacities, as well as long-range plans of economic penetration.

Beginning in 1954 the Sino-Soviet bloc began the intensive use of economic and military assistance programs to gain greater influence in the less developed countries, particularly in the vast areas of Asia and Africa. This program has been accelerated during the past year.

We have no excuse for any doubt as to the purpose or seriousness of this drive. Mr. Khrushchev in his speech to the 21st Party Congress only 6 weeks ago stated it quite plainly for us:

Economics is the main field in which the peaceful competition of socialism and capitalism is taking place, and we are interested in winning this competition in a historically brief period of time.

... with the support of leading socialist countries some countries which lagged behind in the past could switch over to a socialist regime, and after a certain phase of development to communism, bypassing the capitalist phase of development.

The second challenge stems from the march toward independence and economic viability of colonial peoples. The consequence of this revolution of rising expectations has been that, since World War II, more than a quarter of the world's population has been struggling to make new-found freedoms a permanent way of life. These peoples earnestly desire, and as earnestly need, technical skills, new institutions, and development capital to create order and progress in their newly established nations. Their parents and grandparents were resigned to poverty and disease. But the new generation, although still surrounded by poverty and disease, is determined—at almost any cost—to change these conditions.

These people value national freedom and the idea of democracy. But for many the need and desire for improvement in their standards of living is so compulsive that they will choose to advance under duress and dictatorship if they believe that to be the only way. Communist prop-

aganda repeatedly insinuates the theme that communism is their only hope.

The Communists have recognized this great current of change and are doing their utmost to channel it into a world force which will facilitate the spread of international communism and eventually be controlled by it. If we consider the fact that the population of the world is expected nearly to double in the next generation, we will appreciate what is at stake—not so much for ourselves or the Sino-Soviet world as for the people in the lands between us whose decisions will increasingly affect the peace in which we live and the freedoms we enjoy.

The third challenge lies in the interdependence of the free nations of the world. Rapid advances in transportation and communications have brought the most distant parts of the world together. We are closer to New Delhi in time than we were to San Francisco only a generation ago. The tremendous demand of our military power and our peaceful industry for raw materials is creating an increasing need for supplies from outside our own Nation. Even more acutely, the enormous populations and the military forces maintained by the Communist bloc are increasingly creating the need for reliance of the free-world nations upon each other for common defense.

### **III. The Objectives of Our Foreign Policy**

I have said that the mutual security program supports our efforts to achieve the objectives of our foreign policy in the face of these challenges. What are these objectives of our foreign policy?

First, we are trying to establish a stable political world order, a necessary prerequisite to which is a durable peace.

Second, we are encouraging the economic growth of free nations, for both practical and humanitarian reasons.

Our third objective, beyond the limits of national survival and progress, is to gain ever-widening acceptance of the idea of the freedom and dignity of the human individual.

### **IV. The Mutual Security Program In Support of Our Foreign Policy Goals**

These, then, are the three main themes of challenge and the three main themes of our foreign policy. If we consider the principal categories

of the mutual security program we will see in them the mechanisms essential to attain our policy objectives in the face of the challenges confronting us.

Military considerations come to mind first because of their immediacy. In the face of the Soviet threat it has been only common sense to develop a worldwide system of alliances with 42 nations in order to make our defenses all the more powerful because they are collective.

The effectiveness of this system would not be possible without the military assistance, defense support, and the special assistance provided under the mutual security program. Secretary McElroy and other witnesses will deal at greater length with the military implications of mutual security.

Through the help of the mutual security program our friends in the free world support ground forces totaling more than 5 million men stationed at points where the danger of local aggression is greatest. These nations man an air force of about 30,000 aircraft, of which nearly 14,000 are jets. They have also made available to our use some 250 bases in strategic locations, bases which are indispensable to the full effectiveness of our deterrent powers. These allies have also contributed some \$141 billion for their defense effort—to which we have added a total of some \$22 billion for arms, equipment, advanced weapons, and training.

In addition to the great power buildup in the territories of our Western European allies, we are aiding 12 other nations, both by military assistance and defense support, to create and maintain forces whose existence supports our foreign policy objectives. These nations together provide 3 million armed forces—of this 5 million I have just mentioned.

The magnitude of these figures illustrates the larger principle which we must not lose sight of—that in working together the free nations bring to each other a defensive capacity we would never be able to afford if we tried to do it alone. Just as our partners rely on us for the strength we contribute to the common defense, so are we reliant on them for the vital contribution they make.

Much time and effort has gone into the process of welding together this military shield with the idea that, under the increased safety which it affords, we may grapple with some of the other realities of our time.

In less dramatic but equally compelling terms, the mutual security program is mounting an increasing effort to help the less developed nations stabilize and develop their economies. This need should be clear when we consider that 21 nations in Asia and Africa have won their independence since World War II. With 750 million people in these countries who need food, clothes, housing, and jobs it is understandable that we should help them consolidate an economic base upon which to build their political and social institutions unmolested.

The principal instrument of the mutual security program to support this second major goal of our foreign policy is the Development Loan Fund.

In the short period—little over a year—in which the Fund has been in operation, it has realized the hopes which were held for it as a new means of forwarding our foreign policy. Already nations striving to build a foundation for economic growth are turning to it for capital. Some \$2.9 billion in applications for help on projects of basic economic importance have been taken under consideration by the Fund. We believe the Fund is so important that great effort has been expended getting it under way rapidly. For all practical purposes it has already exhausted its present capital.

I should like to emphasize to you as strongly as I can that the full new capital the President has requested is the barest minimum to enable this sound and unique institution to continue as an essential support of our policy of achieving economic development in less developed areas.

Economic growth and, indeed, progress toward full realization of political independence call for technical skills in greater abundance than now available in many of the less developed areas. We provide these skills through the point 4 technical cooperation program first written by this committee 10 years ago. This fundamental program to help others advance by sharing our technical know-how has worked with increasing effectiveness in the basic fields of agriculture, health, and education, as well as in labor, industry, and social welfare. The increase in the request for fiscal year 1960 is to meet new and increasing needs in Africa, Asia, and Latin America.

The program among our neighbors to the south is increased by one-fourth. This increase in tech-



nical cooperation is a corollary to the proposed inter-American bank now being planned.

I have already referred to special assistance as a major support of this common defense of the whole free world. It has another function as well. It includes those funds for health and educational programs of immense importance to wide areas of the world. Primary among these is the malaria control program which reaches directly into the homes and lives of over half the human race. In addition we are developing a program to assist in establishing pure water supplies which may also reach directly to great numbers of the ordinary citizens of the nations we seek to help. Special assistance also includes increased support for certain of our American-sponsored schools abroad which have become centers of education for young people who have become leaders of their own nations. Our help to these schools will provide invaluable educational facilities for new generations of future leaders.

I would like to invite your particular attention to the contingency fund. It would be difficult to overstate its importance. Hard experience has shown us that in the constantly changing world situation with which we are dealing, emergencies will often arise for which a contingency fund, unprogrammed and available, will be indispensable.

#### **V. The Cause of All Mankind**

These many elements of mutual security—whether military, economic, technical, or social—are interrelated and mutually support each other. They are coordinated according to long-term needs in widely separate areas and to sudden demands on one spot of the map. But these programs, however diverse, have unity in that they focus on the essential problems of the world in relation to the guiding principles of our foreign policy. Our aim, while recognizing what is most immediate—the news that catches the headlines—is not to lose sight of what is equally real, the slower development of liberty and the techniques of democracy in other lands.

I do not believe that our cause today is any less great than when Benjamin Franklin described it at the birth of our Nation as “the cause of all mankind.”

The mutual security effort has deep ideological roots in our history. We believe that the ideas of 1776 can be made increasingly attractive and

applicable to the rest of the world. Our effort also stems from the basic urge of self-preservation translated into 20th century terms.

Self-preservation these days is not a waiting game. It demands imagination and initiative. This is why our response to the challenge of the 1960's is not so much a reaction to the dangers of international communism as it is an affirmative, flexible, and spontaneous demonstration of our ability to learn and lead in a world of multiplying problems.

The mutual security program must be carefully scrutinized and intelligently administered. But the fact of its existence reflects a larger appreciation: that the need to help other people—on a long-term, sound financial basis—would exist because of the other great revolutionary changes at work in the world, even if the threat of communism and the Sino-Soviet bloc did not exist. Revolutionary communism highlights the perils of our time. But it does not lessen the plight of many of our neighbors in the world.

I think this is a healthy concept of national security. Security must be mutual or it does not exist. We have had the good fortune to survive our own revolution and to have had almost 200 years to reap its benefits. With the boundaries of so many other parts of the world still changing—or, as in Africa, still forming—we must develop a sensitive capacity to deal with revolutionary thrusts which will be with us long after, as we may hope, the thrust of international communism will have lost its drive.

The mutual security funds asked by the President total \$3.9 billion. This works out, as it affects the taxpayers you represent, at about 5 percent of our national budget and less than 1 percent of the national production of our country for the coming year. In my considered opinion, these mutual security funds will contribute as much to the achievement of the great objectives of our national life as comparable expenditures for any other activity of our Government.

Our allies, as well as friends in less developed nations, look to us for leadership and for reassurance that their trust in us is justified. If I were asked to summarize what this program does for us I would say that militarily it supplies the shield; politically it promotes freedom and stability; economically it improves conditions of life; psychologically it displays our determination to



continue a role of leadership in the fight for free-world objectives. For small nations, some of them half a world away bordering on the Communist power complex, this tangible proof of our concern for their independence and welfare is of vital consequence. Above all, the mutual security program identifies America with the aims and aspirations of nations seeking freedom, equality, and better conditions of life.

#### **STATEMENT BY UNDER SECRETARY DILLON, MARCH 17**

Press release 103 dated March 17

I am glad to be with you once again as you begin your consideration of the mutual security program for fiscal year 1960.

We propose, subject to your approval, to proceed this year in much the same fashion as before. You have already heard the testimony of the Acting Secretary of State, and other witnesses to follow will endeavor as fully and frankly as possible to provide the committee with all of the information it believes necessary to enable it to reach its decisions on this program.

I propose to speak briefly on (1) the presentation materials which have been prepared and the testimony which is planned, (2) the relatively few changes in legislation which are proposed, (3) the amounts proposed to be authorized for the various categories of aid (on which I will elaborate in executive session), (4) the administration of the program, (5) some related matters of significance, and (6) the overall importance of the program to the United States.

#### **I. The Presentation**

The presentation materials follow closely the pattern of last year. You have, as has each Member of Congress, the unclassified book which describes the program proposed in considerable detail. You also have the more elaborate and detailed presentation books which are before you. There are seven volumes this year rather than six, an additional one having been added to give full information on the Development Loan Fund after its first full year of operation. While it has been necessary, as heretofore, to classify some of the material in these volumes, every effort has been made to keep such classification to a minimum particularly in the *World Wide Summary State-*

*ments* volume. The DLF volume is wholly unclassified. Classified sections are indicated by shading as was the case last year.

The *World Wide Summary* volume is a comprehensive description of the entire program. We have endeavored to improve it this year so that it can serve adequately as a description of the entire program except when very detailed information on individual countries and programs may be desired. This book is our answer to those of you who expressed a desire last year for a simplification of our presentation books. This year it contains additional material describing in some detail the methods of programing employed. Subject to the committee's approval we will present testimony to show how these methods have been applied in actual programs. Another new feature is that under "Defense Support" and "Special Assistance" we cite for each country receiving such aid the specific reasons giving rise to the need for aid. These concise statements are of course fully amplified in the regional volumes. Following the testimony of regional witnesses, we would appreciate an opportunity to provide a final recapitulation of the programs proposed under each category of aid.

Mr. Philander P. Claxton, Deputy Assistant Secretary of State for Congressional Relations, who is here with me, is representing me in coordinating the executive branch presentation and will be available to assist you throughout your deliberations.

#### **II. The Legislative Changes Proposed**

The legislation proposed this year involves a minimum of new provisions. I will touch briefly on four proposed amendments to the basic Mutual Security Act of 1954 and on two new provisions.

First, a new section 401 is added which declares the United States policy of support for the United Nations Emergency Force (UNEF) and authorizes the use during fiscal year 1960 of special assistance funds for voluntary contributions to the budget of UNEF. This new section is primarily intended to give statutory emphasis to the importance the United States attaches to the activities of UNEF.

Second, section 413(b) (4), which relates to the investment guarantee program, is amended by adding to the enumerated risks which may be

insured against under the program the risks of revolution, insurrection, or civil strife arising in connection with war, revolution, or insurrection. The ceiling on the face value of guarantees which may be issued is also increased from \$500 million to \$1 billion. This amendment expands the investment guarantee program to cover risks which have become of particular concern to United States firms abroad and permits the executive branch to meet the accelerated demands for guarantees without any increase in new obligational authority.

Third, section 505(b), which relates to loan assistance and sales, is amended by deleting the present requirement that amounts received in repayment of loans made under the Mutual Security Act of 1954, other than by the Development Loan Fund, shall be held by the Treasury to be used for such purposes as may be authorized from time to time by the Congress. It is proposed instead that (1) loan repayments received in dollars be deposited into miscellaneous receipts of the Treasury; (2) that loan repayments received in foreign currencies may be sold by the Treasury to U.S. Government agencies for payment of their obligations abroad and the dollars received from such agencies in reimbursement be deposited into miscellaneous receipts; and (3) that those foreign currency repayments which are in excess of the amounts needed by the Treasury from time to time for sale to U.S. Government agencies for the payment of their obligations abroad shall be credited to the Development Loan Fund. Repayments under these loans begin in fiscal year 1960 with a total of approximately \$20 million. These repayments will increase in succeeding years, and it is important that we now provide for their orderly use.

Fourth, section 527(b), which relates to the employment of personnel, is amended to permit an increase of 15 in the number of personnel who may be employed in the United States on the mutual security program, without regard to the provisions of the Classification Act of 1949, at rates of compensation higher than those provided for grade 15 of the general schedule of the Classification Act of 1949 but not in excess of the highest rate provided for grades in such general schedule. This amendment is specifically designed to give more opportunity to the Under Secretary of State for Economic Affairs to strengthen

the coordination, administration, and execution of the entire mutual security program.

The first proposal for language which does not amend the basic Mutual Security Act of 1954 is to express the recognition by the Congress of the harmful and deterring effects of diseases and other health deficiencies in underdeveloped areas and of the need for international efforts to combat them. It would provide that the Congress affirm that it is the policy of the United States to accelerate its efforts to encourage and support international cooperation in programs to conquer diseases and other health deficiencies. This provision is designed to reflect the growing concern of the United States in health problems of the underdeveloped areas and to express a firm intention to quicken our efforts to support international health programs. These efforts will of course continue to be carefully coordinated with other elements of our overall program furthering the basic objectives sought by the United States.

The second provision which would not amend the basic legislation authorizes appropriations from time to time to the Department of State for payment of the U.S. share of expenses of the Colombo Plan Council for Technical Cooperation, which the United States joined early this year.

### **III. Aid Proposal for Fiscal Year 1960**

The legislation also proposes, of course, new authorizations for appropriations. I believe the committee will be interested in a brief review of these figures, which I will amplify in some detail in executive session. We are using the same categories of aid and the same definitions for them as we used last year.

#### **1. Military Assistance**

Last year we requested an appropriation of \$1.8 billion. Congress appropriated \$1.515 billion. Expenditures during fiscal year 1959 are estimated at \$2.4 billion. Our ability to deliver this greater volume of assistance arose, of course, from the existence of a pipeline of orders placed from prior year appropriations. That pipeline, however, which has steadily decreased from a high of \$8.5 billion in 1953, will be reduced to approximately \$2.6 billion by the end of the fiscal year. This means that there will necessarily be a much closer relation hereafter between the annual amounts appropriated for military assistance and

the annual value of deliveries and expenditures. This bill proposes an appropriation of \$1.6 billion, a figure which will require a substantial reduction in future deliveries. Expenditures for next year are estimated at \$1.85 billion, a reduction of about 25 percent from the fiscal year 1959 total. Our request was approved by the President as being an irreducible minimum. It was specifically pointed out in the President's budget message<sup>2</sup> that these proposals should be considered in the light of the findings of the Draper Committee.<sup>3</sup> I will refer to these findings again.

## 2. Defense Support

Last year we requested an appropriation of \$835 million for essential support requirements of 12 nations<sup>4</sup> carrying heavy military burdens. Congress appropriated \$750 million. Despite every effort at economy, programs presently approved total \$787.5 million and there is every indication that there will have to be some additions to this total before the close of the fiscal year. This has required a considerable use of contingency funds. For fiscal year 1960 we are requesting again \$835 million for the same 12 countries.

## 3. Special Assistance

The request made in fiscal year 1959 was for an appropriation of \$212 million. Congress appropriated \$200 million. We presently anticipate that over \$269 million will be obligated for this category of aid during this fiscal year, again involving the use of substantial contingency funds.

The marked upward adjustment that had to be made in this category of aid reflects the necessity of rapid and flexible responses to political and economic developments which cannot be clearly foreseen and the great value of a contingency fund which enables such adjustments to be made without undue delays.

For fiscal year 1960 we are proposing special assistance in the amount of \$272 million. As compared to last year's request this reflects an increase of \$33.5 million in country programs. In addition, an increase of \$10 million is required for the peak year of the malaria eradication program if

the program is to be successful. We are proposing to spend \$2 million more for aid to American-sponsored schools than that being used this year for the initiation of that program. We are also proposing some new programs under special assistance—\$5 million for initiating preliminary work on a worldwide program for community water development; \$1 million for further medical research through the World Health Organization; \$5 million for a trial program to provide greater incentives for foreign and local private investment; and \$3.5 million as a contribution to the cost of UNEF.

## 4. Technical Cooperation

Congress appropriated \$172 million for technical cooperation last year. This included \$8 million suggested by this committee which has enabled us to set in motion improvements in our training procedures. For fiscal year 1960 an increase to \$211 million is proposed. This increase reflects expansion of technical assistance in all underdeveloped areas. We propose an increase of 43 percent in the emerging African area; an increase of about 20 percent in the Near East and South Asia; an increase of about 13 percent in the Far East and of 25 percent in Latin America. Finally, an increase of \$10 million in our contribution to the United Nations technical assistance program and the Special Fund associated with it is also projected to match anticipated increasing contributions from other countries.

## 5. Other Programs

There are very few material changes in the miscellaneous programs covered under this category. Congress appropriated \$106 million in fiscal year 1959, the full amount requested, and is being asked to provide \$112 million for fiscal year 1960. A substantial part of this slight increase is required to cover pay increases authorized in other legislation.

## 6. Contingency Fund

Congress was asked to provide \$200 million for fiscal year 1959 and appropriated \$155 million. We have so far used \$106 million of these funds to meet the needs referred to earlier. While we have clear and present need for all of and more than the balance to meet specific requirements, we have been forced to defer these allocations until the end of the fiscal year in order to preserve a minimum

<sup>2</sup> For excerpts, see *ibid.*, Feb. 9, 1959, p. 198.

<sup>3</sup> For background, see *ibid.*, Dec. 15, 1958, p. 954, and Feb. 9, 1959, p. 197.

<sup>4</sup> Cambodia, Republic of China, Greece, Iran, Republic of Korea, Laos, Pakistan, Philippines, Spain, Thailand, Turkey, and Viet-Nam.



capability to meet unforeseen crises. Understandably, this has seriously hampered orderly administration. For fiscal year 1960 we are asking again that \$200 million be provided. In my view this is a minimum figure, all of which is vitally needed to provide the U.S. with the capability to respond effectively to situations as they develop.

The sharply diminished military pipeline results in a considerable loss of flexibility. It was formerly feasible to use the President's authority to transfer funds from the military assistance account to meet higher priority emergency requirements, because the large pipeline enabled adjustments in military programs to be made without too great difficulty. In fiscal year 1960 such transfers would involve the disruption of current military programs. As a result the President's transfer authority has become much less meaningful. The contingency fund will hereafter provide our only really useful margin of flexibility.

#### *7. Development Loan Fund*

We asked for an appropriation last year of \$625 million and \$400 million was provided. These funds and those available under previous appropriations have been for all practical purposes exhausted, and a request for a \$225 million supplemental appropriation is now under congressional consideration so as to allow the Development Loan Fund to continue operating on a reduced scale until fiscal year 1960 funds become available. A detailed description of the uses we have made of the \$700 million so far appropriated is set forth in the DLF presentation book. We are asking for \$700 million in fiscal year 1960. This does not fully meet the need for assistance in development as reflected in the \$1.5 billion of applications still on hand. It will, however, enable the DLF to proceed at the same rate of lending which it has attained during its first year of operations and to meet on a minimum basis the most pressing needs for economic development.

#### **IV. The Administration of the Program**

I am well aware of the general concern which has been expressed regarding the effectiveness of the administration of this program. I have taken particular note of the recent interim report of this group's Subcommittee for Review of the Mutual Security Program. This subcommittee has al-

ready had extensive testimony from the Department of Defense. Specific responses to the points made in the report regarding economic assistance will be forthcoming from Mr. [Leonard J.] Saccio [Deputy Director of ICA] on behalf of ICA. However, I have some general observations to make.

No one can deny, nor is there any desire to deny, that in a program of these dimensions and complexities mistakes have been made. I am certain, however, that such mistakes are the exception rather than the rule and that their incidence is decreasing. It is impossible to achieve perfection. Perfection is no more possible in this program than in any other activity conducted by human beings. We must also realize that it is normal for our errors to be publicized and for our satisfactory performances to be taken for granted.

I should also like to point out that, in a program dealing with rapidly evolving political, military, and economic situations, it is frequently necessary to make rapid decisions. The validity of such decisions must be evaluated against the circumstances under which they take place and in the light of the objectives being pursued. What is feasible in the way of procedures in a placid, stable situation in a highly developed country is not always feasible in the opposite kind of situation. I do not say that our performance is without error, but I do believe that much that has been described as error deserves evaluation of the sort suggested.

Of course, the fact that errors do occur and that this is natural is no justification for not making every effort to prevent them. Such efforts are a constant preoccupation of those charged with administrative responsibilities for these programs. I can assure you that every one of us is sincerely endeavoring to effect improvements in planning, programing, and execution and will welcome all suggestions as to ways and means of achieving further improvement.

I spoke last year of the efforts being made to effect a closer coordination of the program plans and operations into the framework of our foreign policy. This has been substantially accomplished through the transfer of coordinating authority from the Director of ICA to the Under Secretary of State for Economic Affairs. During the year ICA has been more closely integrated with other parts of the Department while retaining its sepa-



rate organization and administration. The authorities vested in the Secretary of State under the Mutual Security Act which were formerly delegated by him to the Director of ICA have recently been delegated to the Under Secretary of State for Economic Affairs, who is empowered to redelegate such of these authorities as he deems appropriate to the Director of ICA.

I am also convinced after a year of operations under the new arrangements that my own staff must be substantially strengthened if maximum effectiveness in coordination is to be achieved. Mr. John O. Bell, who has succeeded Mr. Robert G. Barnes as my Special Assistant for Mutual Security Coordination, is charged with effecting the necessary improvements. The increase in the authorization for excepted positions which I mentioned earlier is an essential element in this effort.

I do believe that over the past year we have succeeded in improving our processes materially. The improved programing procedures are described in the *World Wide Summary* volume. They provide solid assurance that program concepts are being subjected to critical analysis and justification before being adopted. Nevertheless, we still need to do more in this area, and I hope we will be successful in doing so over the next several months. However, I can assure you that each of these programs, military and nonmilitary, is now subject to my programing guidance. Each is subject to my review and approval. As a result there is a conscientious effort to assure consistency and coordination of the various elements of the program so as to promote our national security policy.

On the operational side, as other witnesses will point out, the pipelines are being rapidly reduced and the process of execution is being accelerated. Obligations of funds in ICA, for example, are running well ahead of last year. As of February 28, cumulative obligations of \$725 million had been made, amounting to 58 percent of the year's programs, which compares with \$590 million or 48 percent as of the same date a year ago. ICA programs were approved in large measure substantially earlier in the year than heretofore. In conjunction with the Department of Defense we are currently engaged in a major effort to effect improvements in the military assistance program process. I hope that there will soon be substantial progress to report.

While effectiveness of operations can and should be measured in terms of efficiency of planning and execution, the critical question is of course whether or not the programs are attaining or contributing effectively to the attainment of the foreign policy objectives toward which they are directed. On this score I believe we have no apologies to make.

#### V. Some Related Matters

I would like now to touch upon a few matters which I am sure are of interest to the committee but which may not be dealt with quite so directly in the testimony which will follow.

##### A. *The Draper Group*

First, as the committee is aware, the President is considering the preliminary findings of the Draper group and will make such further recommendations based on those findings as he deems appropriate. The group's interim report, which is being submitted to the President today [March 17], indicates quite clearly that in its judgment the program which is being proposed to you is not excessive either in its military or economic components but, if anything, is a smaller program than is desirable from the point of view of our national interests.

##### B. *Separation of Military Assistance*

It will be recalled that this committee suggested last year that the executive branch should consider further the question of a separation of military and economic assistance programs. In view of the decision reached last year by the Congress to retain these various forms of assistance within the mutual security bill, and the studies now under way in the Draper Committee, we are not proposing any change at this time but will reexamine this question in the light of such recommendations as may be contained in the final report of the Draper group.

##### C. *The Private Sector*

An amendment last year to the Mutual Security Act called for a study by the executive branch of the ways and means in which the role of the private sector of the national economy could be more effectively utilized and protected in carrying out the purposes of the act. In response to this request the Department of State organized a study

group headed by Mr. Ralph Straus.<sup>5</sup> This group is in the final stages of editing its report, which will be made available to the committee in the near future. I have had an opportunity to review preliminary drafts and have noted that, with the exception of certain suggested revisions in tax legislation, the great majority of its recommendations call for procedural and policy changes and do not require new legislation.

We are, as I am sure the committee is aware, clearly interested in obtaining the greatest possible participation by private capital in the development of emerging areas of the world. We will continue to exert every effort in this direction. However, I would be less than candid if I did not point out that basic conditions in many less developed countries, such as the lack of political stability, of adequate government services and properly trained personnel, of basic facilities of power and transportation, of low productivity and of limited markets, as well as chronic balance-of-payments problems, are basic impediments to private investment. The mutual security program is one means of moving toward the reduction or elimination of these impediments. Until conditions attractive to private investment are created, we cannot expect to depend on it as an answer to the problem.

#### *D. Effect on U.S. Economy*

We are still studying, as the Congress requested, the effect of the mutual security program on the economy of the United States. A report will be made to this committee during its consideration of this bill. In my own view it is clear that this program has a highly beneficial impact. Foremost is the fact that, unless we are able to achieve the basic national security objectives which the mutual security program is designed to help attain, it will be impossible to maintain our own economic health and military strength. It contributes to that stability and growth which is essential to assure ready access to the essential raw materials needed by our industries. It increases the ability of other countries to buy our goods. Finally, the program results in immediate employment and production in the United States. Figures show that, under this program in

fiscal year 1958, 75.4 percent of all funds were directly expended in this country. Dollars spent abroad also benefit the United States economy by making it possible for the countries receiving these funds to purchase more goods from us. A responsible estimate for fiscal year 1957 was that 530,000 people in the United States were employed on an average full-time basis as a result of the mutual security program.

#### *E. Section 402*

I would like to briefly mention some problems we are having with section 402 of the act, which provides that not less than \$175 million must be used to finance the export and sale for foreign currencies of surplus agricultural commodities or products. While we have been able to comply with this requirement in the past and will endeavor to do so in the future if it is continued in the legislation, I must point out that it is becoming increasingly difficult to do so as the production of agricultural products increases in countries which we are assisting and as the currencies of Western European countries become freely convertible, thereby diminishing the incentive for such countries to purchase agricultural commodities under section 402 and then permit the use of the sales proceeds for purchase of goods required in the underdeveloped areas.

#### **VI. The Importance of the Program**

The purposes of this program are simple, straightforward, and clear. We can no more live unscathed in a community of nations if it is diseased, poverty-stricken, and unstable than we could live unscathed in our local communities under such conditions. We are, must be, and want to be concerned with the welfare of our fellow human beings. Our security is not just related to the situation in other nations; it is dependent on the assistance of allies. Our needs for allied military forces, bases, strategic resources, and productive capacity are real and inescapable.

The mutual security program does not in itself solve all of our problems, nor is it intended to. But it *is* an indispensable element for their solution.

Gentlemen, our cause today is none other than the preservation of human liberty on this planet. Three times in this century Americans have poured out their blood that freedom might sur-

<sup>5</sup> For an announcement of Mr. Straus' appointment and text of the amendment, see BULLETIN of Nov. 3, 1958, p. 716.

vive. Today we face the greatest and ultimate challenge. It is an all-pervading challenge—military, economic, and psychological. It is a long-term challenge that makes heavy demands on our staying powers. But with the growing interdependence of the peoples of the world it presents us also with a glowing promise for the future. For if we successfully pass this test and turn back the worldwide assault of international communism on men's minds, we can foresee the dawn of a new era when all mankind will work together in liberty and freedom to realize the untold benefits which the miracles of science are bringing within our reach. Failure in this contest is unthinkable. Our weapon in the fight is our faith in the ultimate victory of freedom. But faith alone is not enough. Faith must be translated into action if it is to have any meaning. That action is the mutual security program. Over the coming weeks we will be presenting to you a balanced program of mutual security which has been developed over months of painstaking effort. It is your right and duty to examine this program closely to insure that it is at the same time adequate and not extravagant. We welcome a searching examination. But we hope that during your detailed study you will not lose sight of the basic fact that for the peoples of the free world the mutual security program is above all the measure of the determination of the American people to stand up and be counted in the battle for freedom and progress. As such, it is vital to our national security, to our very existence as a free people.

**STATEMENT BY SECRETARY McELROY,  
MARCH 18**

I have been given a number of opportunities to appear before committees of Congress to express my views pertaining to the national defense. None of them have I welcomed more than this—because of my strong feelings regarding the importance of the subject this committee now has under consideration.

The Acting Secretary of State has already testified with respect to the important contribution the mutual security program makes to the furtherance of United States foreign policy objectives. My own remarks will, therefore, be directed to the military assistance program, and specifically to its essentiality as an integral part

of our own national defense. As you know, the executive branch is requesting new obligational authority in the amount of \$1.6 billion for this program in fiscal year 1960.

There can be no question about the objective of our defense program. It is to maintain a military position of such strength that, first, no nation will attack us because he will know that we can inflict unacceptable damage on him in return and, second, local situations of tension can be prevented from breaking into war or can be contained if military conflict does begin.

This means that we must have military strength not only on this continent but in the whole periphery of the free world where aggression is apt to occur. It has been many years since we could regard our frontier as the coastline of this country. We have long recognized that the advance of international communism anywhere weakens the security not only of the free world but of the United States itself. Aggression must be stopped. Our defense is tied inevitably to the defense of the farflung frontiers of the free world. We can expect one probing action after another in which the Soviets or the Communist Chinese test our willingness and ability to resist. If the free world cannot stand up firmly to these probes when they are initiated, we may well be faced with a major conflict as the Communists, pressing ahead with their win-by-threat policy, make it imperative that at some point we meet the issue squarely.

**Concept of Military Assistance**

It is most unlikely that the United States alone could hold all these varied fronts dispersed widely around the world. The concept of a strength created and maintained by joining the capabilities of ourselves and our allies is thus basic to our whole security program. If our allies do not remain strong, our whole security concept will need radical revision and the burden placed on our own resources will be immeasurably greater.

We are most fortunate in the fact that, in most of the areas where international communism might seek expansion, there are countries which are friendly to us and look to us for leadership. These nations have the will to resist, and they have the manpower. In many cases they do not have the resources. Without assistance they cannot support military establishments adequate to



defend themselves. If we do not buttress them with the resources they need, and help them with the training necessary to prepare them for modern warfare, they will succumb to communism either through military action or through the kind of civil disorder and deterioration on which communism thrives.

We cannot let this happen. Each Communist success is a new discouragement to those who would cast their lot our way, and a new source of vitality and momentum for the aggressors.

In my judgment it would be shortsighted indeed if this nation spent over \$40 billion on its own military establishment and then declined to spend the much smaller sums needed to maintain and modernize the forces of our allies, which are essential to our whole defensive concept and without which our own military expenditures would have to be enormously increased.

I recently was privileged, as I am sure several of the members of this committee have been, to see at first hand the operation of our military assistance program in a number of countries in the Far East and Southeast Asia. I wish every Member of Congress could visit countries like south Korea and see what can be done when the United States supplies its know-how and resources to a nation determined to put them to good use. This is an active front; guns are facing each other across a hot boundary line; troops in forward dugout positions are on continuous 24-hour alert. If the south Korean forces which join our own and other United Nations units in holding this front were not well trained and well supplied, we would either have to throw in far larger forces of our own or move out with the knowledge that south Korea would fall as another victim to Communist aggression.

A dramatic illustration of our program at work was given at Quemoy where Nationalist Chinese engaged Communist Chinese aircraft and shot them down at a ratio of 8 to 1. They used American equipment and American training—both were essential. If the Nationalist Chinese had not been ready to defend themselves, either Quemoy would have been lost or we would have found ourselves engaged in war with the aggressing Communists.

Five years ago south Viet-Nam was demoralized from the effects of a bitter war and hardly had the strength to provide even a minimum amount of its own protection. Today, with their own cour-

age and energy, together with our assistance, the situation has improved tremendously. They are now able to maintain civil order at a time of possible future crisis; and while it could not, of course, stand up against an attack backed by the Sino-Soviet forces, it could defend itself against an invading neighbor and hold the line long enough for the Western World to come to its aid.

A prime example of the value of our mutual assistance program, of course, is the role it has played in the development of NATO defenses. It is no exaggeration to say that the fact that there has been no aggression in Europe since NATO was formed in 1949 is due primarily to the strengthened military posture and sense of collective security engendered by the military assistance program. The staunch stand of our NATO allies with us on the Berlin situation over the past 3 months exemplifies NATO's cohesion and solidarity.

There are many other examples. They add up to a most impressive supplement to the total forces defending the free world.

Some measure of the magnitude is gained from noting that the ground forces of our allies comprise today over 5 million men; naval forces—2,500 combat vessels; and air forces—about 30,000 aircraft, of which 14,000 are jet. One can see their importance and the problem we would face if we had to meet these military requirements with our own forces.

#### **Network of Overseas Bases**

I have emphasized the contributions which our allies make to the collective security—and therefore to our own security—in the form of military personnel and equipment. I could just as well have emphasized the fact that without staunch and stable friends overseas we would not have the network of overseas bases which is so vital to our own military operations. Our Strategic Air Command is considerably strengthened by its ability to operate from advanced overseas bases. The operations of our Navy are greatly helped by being able to use overseas facilities. Our Army can respond with far more dispatch to such situations as that in Lebanon by having advanced staging areas from which to operate.

Critics of the program point to instances of inefficiencies or examples of money being spent unwisely. I am afraid it is true that in any opera-



tion of this size and geographical scope, with the pressures of urgent political necessities with which one must deal in various parts of the world, such examples are very apt to exist. We are making a determined effort to reduce or eliminate them, and the conscientious study of the problem made by your Subcommittee for Review of the Mutual Security Program is rendering a constructive service by helping us dig out examples of deficiencies. However, I think it would be a critical mistake to curtail the program because of isolated instances of waste and inefficiency, representing a small percentage of the total. When a city finds shortcomings in a police force, one does not abolish the force; one works to improve it and correct the deficiencies uncovered.

One of the things that has puzzled me since coming to Washington has been the difficulty we encounter in developing a broad understanding of the importance of the mutual security and the military assistance part of the program. When General Twining was asked by a Member of the Congress last spring whether he would recommend restoring all the dollars that had been cut from the mutual security program before consideration of any possible increase in the regular defense budget, he replied forcefully that he thought these dollars could better be spent in the defense of this Nation by putting them into mutual security. The individual chiefs of the military services later authorized the chairman to say that they unequivocally agreed with him. This is impressive testimony.

For each dollar we have spent during 1950-58, the nations receiving military assistance from us have spent more than \$5. In fact, the 1958 effort was at a rate of \$7 for every dollar of military assistance received. These countries are spending this for their own defense, of course; but this defense effort is also supporting our objectives as the leading nation of the free world. It is hard to see how we can possibly get better value for our dollar than by helping these nations stand on their own feet and carry their part of the load.

The record of achievement thus far is one that more than justifies rededication to the principles of military assistance and collective security. All over the world, at points of greatest potential danger, the fighting forces of our partner nations stand ready to take the brunt of initial attack on any scale and to hold the line until reinforcements

can be rushed in to restrain and drive back the aggressor. This international cooperation has, in less than a decade, created a common defense posture in the free world which has successfully checkmated Sino-Soviet aggression and maintained the difficult peace which still prevails. Speaking as one primarily concerned with making certain that our defense is strong enough to meet whatever tests it may face, I strongly urge support of a program which contributes so much to our own national security at so moderate a cost, and which joins the forces of the free world in an effective military alliance committed to the preservation of the peace.

#### **STATEMENT BY GENERAL TWINING, MARCH 18**

My appearance before you today to talk about the military assistance program is an opportunity which I welcome.

Far too many of our own American people are not aware of the positive contribution made by the military assistance program in promoting the foreign policy, national security, and the general welfare of the United States.

Let me say here and now that I do not regard this program as a vast boondoggle. This label is a direct slap to our allies and to our own country and a source of comfort to our adversaries. The military assistance program plays a considerable role in insuring the survival of the United States and the free world.

We must, as Americans, also be aware that in free societies the armed forces are not maintained at the expense of the national economy, but rather provide the necessary security which makes national development and national survival possible. Without security there can be no national development—only capitulation.

Today the national survival and continued national development of all countries of the free world depend more than ever upon the collective security arrangements in existence between the allies.

The threat to the free world is not decreasing. Today those who would enslave free men everywhere are embarked upon broad programs in the military, economic, political, and psychological fields, all designed to destroy the free world. These are the cold and brutal facts of life in the world today. I have painted this threat in great

detail to various committees of the Congress. I have repeatedly stated that we can counter this threat and insure the survival of the free world if we do not weaken in our determination to preserve the free-world alliance.

Our free-world alliance is essential to our own national security. The military capabilities of the alliance are developed in a large part through our military assistance program. If this program is weakened or reduced to insignificance, our adversaries will have achieved a major victory without firing a shot.

#### **Benefits of Military Assistance Program**

We can look about us in the countries of the free world today and see all too plainly the visible results of our military assistance program. This program has made a major contribution to world peace. In less than 10 years, it has made possible the buildup of allied military strength and the development of a corresponding will to resist aggression. So far, the program has served its purpose as a deterrent to general war.

I would like to give this committee a brief run-down of the benefits which I believe come to the United States as a result of the military assistance program.

First, the free world has a substantial military capability which could not have been achieved without the military assistance program. If there is some alternative program that could be substituted for the military assistance program, I would like to know about it. So would the Joint Chiefs of Staff.

The military assistance program furnishes vital support upon which the effectiveness of our military alliances depend. I have already pointed out that I consider these alliances to be essential to our own national security.

Our military assistance program constitutes an important part of the consideration given in return for the establishment and cooperative use of our overseas system of bases and facilities. The importance of these bases and facilities to us is highlighted by the repeated Soviet attempts to deprive us of them. There can be no better reason for their continued existence.

The military assistance program promotes a

climate of mutual interest, confidence, and reasonable safety essential to the economic growth and progress of the nations of the free world. As Americans, we realize that it is in our best interests to participate heavily in the free-world effort to create a climate of security essential to peace and progress.

Without our military assistance program, the United States would require more men under arms both at home and overseas. If we were to maintain forces sufficient to match the Communist bloc in military strength or resources at points of possible aggression around the world, the cost to the United States would be far in excess of the \$22 billion furnished under the military assistance program and the \$141 billion spent by our allies during the years 1950 to 1958.

We simply do not have the manpower or materials to take on the defense of the entire free world alone. At the same time, I firmly believe that the defense of the free world is inseparably linked to our own defense.

#### **Detering General War and Limiting Local Aggression**

Our military assistance program provides the United States and the free world with the military means to cope with cold-war situations and has served in some measure to date to deter limited and general war. The past year has presented a number of sharp challenges. In each, we must attribute a portion of our success in deterring general war and limiting local aggression to our continued efforts under the military assistance program.

If I can leave only one last parting thought with this committee, I would ask that you keep in mind my views that our military assistance program is a vital and integral part of our overall defense posture. The day is past when we can risk going it alone. If a substantial part of the free world falls or slips behind the Iron Curtain, our chances of being able to defend ourselves must dim in proportion. The gauntlet is on the table along with the blue chips. The stakes were never higher than they are today. Any limitations or reductions in the program would virtually eliminate all modernization and force improvement needed to accomplish the military assistance program force objectives.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### Calendar of International Conferences and Meetings<sup>1</sup>

#### Adjourned During March 1959

ICAO: Special Meeting on Short-Range Navigational Aids . . . . .	Montreal . . . . .	Feb. 10-Mar. 2
U.N. General Assembly: 13th Session (resumed) . . . . .	New York . . . . .	Feb. 20-Mar. 13
FAO/ECLA Seminar on Agricultural and Food Price Policies . . . . .	Santiago . . . . .	Feb. 23-Mar. 3
ILO Governing Body: 141st Session (and committees) . . . . .	Geneva . . . . .	Feb. 23-Mar. 13
ILO Technical Meeting on Problems of Productivity Improvement in Certain Countries . . . . .	Bangalore, India . . . . .	Feb. 25-Mar. 10
GATT: Meeting of Committee II on Expansion of International Trade . . . . .	Geneva . . . . .	Mar. 2-10
UNICEF Executive Board and Program Committee . . . . .	Geneva . . . . .	Mar. 2-13
Inter-American Institute of Agricultural Sciences: 4th Meeting of Technical Advisory Council . . . . .	Turrialba, Costa Rica . . . . .	Mar. 9-12
European Civil Aviation Conference: 3d Session . . . . .	Strasbourg . . . . .	Mar. 9-21
Pan American Highway Congresses: Technical Committee of Experts on Development of Governmental Highway Agencies . . . . .	Lima . . . . .	Mar. 9-13
UPU Consultative Committee on Postal Studies: 2d Meeting of Administrative Council . . . . .	The Hague . . . . .	Mar. 9-19
U.N. International Commission on Commodity Trade: 7th Session . . . . .	New York . . . . .	Mar. 9-20
U.N. Commission on Status of Women: 13th Session . . . . .	New York . . . . .	Mar. 9-27
IAEA Board of Governors: Special Meeting . . . . .	Vienna . . . . .	Mar. 10-13
GATT: Meeting of Committee III on Expansion of International Trade . . . . .	Geneva . . . . .	Mar. 11-13
U.N. ECE <i>Ad Hoc</i> Working Party on Gas Problems: 5th Session . . . . .	Geneva . . . . .	Mar. 11-13
ILO Asian Advisory Committee: 9th Session . . . . .	Geneva . . . . .	Mar. 16-17
GATT Working Party on Association of Yugoslavia . . . . .	Geneva . . . . .	Mar. 16-20
U.N. ECE Inland Transport Committee: Working Party on Construction of Vehicles . . . . .	Geneva . . . . .	Mar. 16-20
ICEM: <i>Ad Hoc</i> Meeting of Six Powers . . . . .	San Francisco . . . . .	Mar. 17-23
Central American Ministers of Agriculture . . . . .	San Salvador . . . . .	Mar. 18-20
U.N. ECE Electric Power Committee . . . . .	Geneva . . . . .	Mar. 18-20
U.N. ECE Coal Committee (and working parties) . . . . .	Geneva . . . . .	Mar. 23-25

#### In Session as of March 31, 1959

Political Discussions on Suspension of Nuclear Tests . . . . .	Geneva . . . . .	Oct. 31, 1958-
U.N. Trusteeship Council: 23d Session . . . . .	New York . . . . .	Jan. 30-
U.N. Commission on Human Rights: 15th Session . . . . .	New York . . . . .	Mar. 16-
U.N. Scientific Committee on Effects of Atomic Radiation: 6th Session . . . . .	New York . . . . .	Mar. 23-
U.N. ECAFE/TAA Regional Seminar on Trade Promotion . . . . .	Tokyo . . . . .	Mar. 30-
Caribbean Commission: <i>Ad Hoc</i> Committee on Revision of Agreement for Establishment of the Commission . . . . .	Trinidad . . . . .	Mar. 31-

#### Scheduled April 1 Through June 30, 1959

World Meteorological Organization: 3d Congress . . . . .	Geneva . . . . .	Apr. 1-
ITU International Radio Consultative Committee (CCIR): 9th Plenary Assembly . . . . .	Los Angeles . . . . .	Apr. 1-
ICEM Executive Committee: 12th Session . . . . .	Geneva . . . . .	Apr. 2-

<sup>1</sup> Prepared in the Office of International Conferences, Mar. 19, 1959. Following is a list of abbreviations: CCIR, Comité consultatif internationale des radio communications; CCITT, Comité consultatif internationale télégraphique et téléphonique; ECAFE, Economic Commission for Asia and the Far East; ECE, Economic Commission for Europe; ECLA, Economic Commission for Latin America; ECOSOC, Economic and Social Council; FAO, Food and Agriculture Organization; GATT, General Agreement on Tariffs and Trade; IAEA, International Atomic Energy Agency; IA-ECOSOC, Inter-American Economic and Social Council; ICAO, International Civil Aviation Organization; ICEM, Intergovernmental Committee for European Migration; ILO, International Labor Organization; ITU, International Telecommunication Union; NATO, North Atlantic Treaty Organization; OAS, Organization of American States; PAHO, Pan American Health Organization; SEATO, Southeast Asia Treaty Organization; TAA, Technical Assistance Administration; U.N., United Nations; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNICEF, United Nations Children's Fund; UPU, Universal Postal Union; WHO, World Health Organization; WMO, World Meteorological Organization.

# Calendar of International Conferences and Meetings—Continued

## Scheduled April 1 Through June 30, 1959—Continued

Ceremony Commemorating the 10th Anniversary of NATO . . .	Washington . . . . .	Apr. 2-
NATO Ministerial Council . . . . .	Washington . . . . .	Apr. 2-
2d FAO World Fishing Boat Congress . . . . .	Rome . . . . .	Apr. 5-
OAS Special Committee To Study New Measures for Economic Development ("Committee of 21"). . . . .	Buenos Aires . . . . .	Apr. 6-
GATT Panel on Antidumping and Countervailing Duties . . . . .	Geneva . . . . .	Apr. 6-
GATT Panel on Subsidies and State Trading . . . . .	Geneva . . . . .	Apr. 6-
IAEA Board of Governors: 11th Session . . . . .	Vienna . . . . .	Apr. 7-
FAO European Commission for Control of Foot and Mouth Disease. . . . .	Rome . . . . .	Apr. 7-
ICEM Council: 10th Session . . . . .	Geneva . . . . .	Apr. 7-
U.N. Economic and Social Council: 27th Session . . . . .	México, D.F. . . . .	Apr. 7-
SEATO Council: 5th Meeting . . . . .	Wellington . . . . .	Apr. 8-
FAO Panel on Agricultural Price Support Measures . . . . .	Rome . . . . .	Apr. 9-
FAO: Government Experts on Use of Designations, Definitions, and Standards for Milk and Milk Products. . . . .	Rome . . . . .	Apr. 13-
Caribbean Commission: Conference on the Financing of Agriculture. . . . .	Trinidad . . . . .	Apr. 14-
FAO <i>Ad Hoc</i> Committee on Campaign To Help Free the World From Hunger Year. . . . .	Rome . . . . .	Apr. 15-
ILO Meeting To Establish an Individual Control Book for Drivers and Assistants in Road Transport. . . . .	Geneva . . . . .	Apr. 20-
U.N. Committee on Information From Non-Self-Governing Territories: 10th Session. . . . .	New York . . . . .	Apr. 20-
U.N. Economic Commission for Europe: 14th Session . . . . .	Geneva . . . . .	Apr. 20-
U.N. Commission on Narcotic Drugs: Committee on Illicit Traffic. . . . .	Geneva . . . . .	Apr. 22-
ILO Coal Mines Committee: 7th Session . . . . .	Geneva . . . . .	Apr. 27-
U.N. Commission on Narcotic Drugs: 14th Session . . . . .	Geneva . . . . .	Apr. 27-
U.N. Social Commission: 12th Session . . . . .	New York . . . . .	Apr. 27-
ICAO Aeronautical Information Services Division/Aeronautical Maps and Charts Division. . . . .	Montreal . . . . .	Apr. 28-
PAHO Executive Committee: 37th Meeting . . . . .	Washington . . . . .	Apr. 28-
WMO Executive Committee: 11th Session . . . . .	Geneva . . . . .	Apr. 29-
4th South Pacific Conference. . . . .	Rabaul, New Britain . . . . .	Apr. 29-
12th International Cannes Film Festival . . . . .	Cannes . . . . .	May 1-
U.N. ECAFE Inland Transport and Communications Committee: Working Party of Telecommunications Experts. . . . .	Tokyo . . . . .	May 4-
U.N. Transport and Communications Commission: 9th Session. . . . .	New York . . . . .	May 6-
GATT Intersessional Committee . . . . .	Geneva . . . . .	May 6-
U.N. ECLA Committee on Trade. . . . .	Panamá . . . . .	May 6-
ITU International Telephone and Telegraph Consultative Committee (CCITT): Plan Subcommittee. . . . .	Tokyo . . . . .	May 11-
GATT Contracting Parties: 14th Session . . . . .	Geneva . . . . .	May 11-
GATT Committee on Balance-of-Payments Restrictions. . . . .	Geneva . . . . .	May 11-
GATT Consultations With European Economic Community on Sugar. . . . .	Geneva . . . . .	May 11-
FAO Cocoa Study Group: Statistical Committee . . . . .	Rome . . . . .	May 12-
FAO Technical Meeting on Fishery Cooperatives . . . . .	Naples . . . . .	May 12-
12th World Health Assembly . . . . .	Geneva . . . . .	May 12-
International Cotton Advisory Committee: 18th Plenary Meeting. . . . .	Washington . . . . .	May 13-
FAO Cocoa Study Group: Executive Committee . . . . .	Rome . . . . .	May 13-
FAO International Poplar Commission: 10th Session . . . . .	Rome . . . . .	May 13-
FAO International Poplar Congress: 7th Session . . . . .	Rome . . . . .	May 13-
South Pacific Commission: 19th Session . . . . .	Rabaul, New Britain . . . . .	May 13-
U.N. Economic Commission for Latin America: 8th Session . . . . .	Panamá . . . . .	May 13-
4th Inter-American Indian Conference . . . . .	Guatemala City . . . . .	May 16-
FAO Group on Grains: 4th Session . . . . .	Rome . . . . .	May 18-
U.N. ECOSOC Latin American Seminar on Status of Women . . . . .	Bogotá . . . . .	May 18-
UNESCO Administrative Commission . . . . .	Paris . . . . .	May 18-
UNESCO External Relations Commission . . . . .	Paris . . . . .	May 18-
ITU Administrative Council: 14th Session . . . . .	Geneva . . . . .	May 19-
16th World Congress on Veterinary Medicine . . . . .	Madrid . . . . .	May 21-
ILO Governing Body: 142d Session (and committees) . . . . .	Geneva . . . . .	May 25-
U.N. Trusteeship Council: 24th Session . . . . .	New York . . . . .	May 25-
UNESCO Executive Board: 54th Session . . . . .	Paris . . . . .	May 25-
WHO Executive Board: 24th Session . . . . .	Geneva . . . . .	May
FAO Committee on Commodity Problems: 31st Session . . . . .	Rome . . . . .	June 1-
International Commission for Northwest Atlantic Fisheries: 9th Annual Meeting. . . . .	Montreal . . . . .	June 1-
Inter-American Commission of Women: 13th General Assembly . . . . .	Washington . . . . .	June 1-
International Labor Conference: 43d Session . . . . .	Geneva . . . . .	June 3-
Customs Cooperation Council: 14th Session . . . . .	Brussels . . . . .	June 8-
FAO/UNICEF Joint Policy Committee: 2d Session . . . . .	Rome . . . . .	June 8-
Informal Shipping Talks . . . . .	Washington . . . . .	June 8-
FAO Council: 30th Session . . . . .	Rome . . . . .	June 15-



GATT Group of Experts on Restrictive Business Practices . . . . .	Geneva . . . . .	June 15-
Executive Committee of the Program of the U.N. High Commissioner for Refugees: 2d Session . . . . .	Geneva . . . . .	June 15-
ICAO Assembly: 12th Session . . . . .	San Diego . . . . .	June 16-
South Pacific Research Council: 10th Meeting . . . . .	Nouméa, New Caledonia . . . . .	June 17-
International Whaling Commission: 11th Meeting . . . . .	London . . . . .	June 22-
9th International Berlin Film Festival . . . . .	Berlin . . . . .	June 26-
15th International Dairy Congress . . . . .	London . . . . .	June 29-
FAO: 6th Session on Desert Locust Control . . . . .	Rome . . . . .	June 29-
GATT Committee on Balance-of-Payments Restrictions . . . . .	Geneva . . . . .	June 29-
U.N. Economic and Social Council: 28th Session . . . . .	Geneva . . . . .	June 30-
IA-ECOSOC Permanent Technical Committee on Ports: 2d Meeting . . . . .	Montevideo . . . . .	June
Permanent International Commission of Navigation Congresses: Annual Meeting . . . . .	Brussels . . . . .	June
U.N. Special Fund: 2d Session of Governing Council . . . . .	New York . . . . .	June
IAEA Board of Governors: 12th Session . . . . .	Vienna . . . . .	June or July

## Mr. Heinz To Be U.S. Representative to 14th Session of ECE

The Senate on March 11 confirmed Henry J. Heinz II to be the representative of the United States to the 14th session of the Economic Commission for Europe of the Economic and Social Council of the United Nations, which will open at Geneva, Switzerland, on April 20.

## Current U.N. Documents: A Selected Bibliography<sup>1</sup>

### Economic and Social Council

- Economic Commission for Latin America. Progress Report on Inter-Latin American Trade and the Regional Market, Covering the Period June 1957 to April 1958. E/CN.12/AC.40/3. February 28, 1958. 45 pp. mimeo.
- Population Commission. Technical Assistance for Regional Demographic Training and Research Centres. Memorandum presented by the Secretary-General. E/CN.9/143. December 29, 1958. 13 pp. mimeo.
- Population Commission. Regional Work in the Field of Population. Report submitted by the Secretary-General. E/CN.9/154. December 29, 1958. 11 pp. mimeo.
- Population Commission. Seminars and Technical Working Groups on Evaluation and Utilization of Population Census Results. Memorandum submitted by the Secretary-General. E/CN.9/152. December 30, 1958. 6 pp. mimeo.
- Population Commission. Progress of Work During 1957-1958 and Programme of Work for 1959-1961 in the Field of Population. Memorandum submitted by the Secretary-General. E/CN.9/155. December 30, 1958. 24 pp. mimeo.
- Economic Commission for Africa. Programme of Work and Priorities—Summary of a Suggested Work Pro-

gramme for 1959. Memorandum by the Executive Secretary. E/CN.14/4/Add. 2. December 30, 1958. 5 pp. mimeo.

Commission on the Status of Women. Equal Pay for Equal Work. Report by the International Labour Office and by the Secretary-General E/CN.6/341. December 31, 1958. 104 pp. mimeo.

Commission on the Status of Women. Occupational Outlook for Women: Access of Women to Training and Employment in the Principal Professional and Technical Fields. Report by the Secretary-General. E/CN.6/343. January 5, 1959. 48 pp. mimeo.

Economic Commission for Africa. Report of the First Session of the Economic Commission for Africa to the Economic and Social Council (29 December 1958-6 January 1959). E/CN.14/L.34/Rev. 1. January 6, 1959. 24 pp. mimeo.

Commission on Human Rights. Right of Asylum. Comments of Governments. E/CN.4/781. January 8, 1959. 12 pp. mimeo.

Commission on International Commodity Trade. Recent Commodity Developments. Memorandum No. 29. E/CN.13/Ser.A/29. January 9, 1959. 12 pp. mimeo.

Commission on Human Rights. Draft Declaration of the Rights of the Child. Comments of Governments. E/CN.4/780. January 12, 1959. 22 pp. mimeo.

Possibilities of International Co-operation in Studies of Rural-Urban Migration in Under-developed Countries. Report submitted by the Secretary-General. E/CN.9/151. January 12, 1959. 16 pp. mimeo.

Commission on the Status of Women. Review of Programs of Work, Establishment of Priorities, Control and Limitation of Documentation. Note by the Secretary-General. E/CN.6/340. January 13, 1959. 3 pp. mimeo.

Commission on Human Rights. Review of Programmes and Priorities. Note by the Secretary-General. E/CN.4/783. January 19, 1959. 3 pp. mimeo.

Economic Development of Under-Developed Countries. Report of the Symposium on the Development of Petroleum Resources of Asia and the Far East. E/3203. January 30, 1959. 64 pp. mimeo.

### Trusteeship Council

United Nations Visiting Mission to Trust Territories in West Africa, 1958. Report on the Trust Territory of the Cameroons Under British Administration. T/1426 and Add. 1. January 20, 1959. 173 pp. mimeo.

United Nations Visiting Mission to Trust Territories in West Africa, 1958. Report on the Trust Territory of the Cameroons Under French Administration. T/1427. January 23, 1959. 162 pp. mimeo.

<sup>1</sup> Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

## TREATY INFORMATION

### Current Actions

#### MULTILATERAL

##### Agriculture

Protocol of amendment to convention on the Inter-American Institute of Agricultural Sciences of January 15, 1944 (58 Stat. 1169). Opened for signature at Washington December 1, 1958.<sup>1</sup>  
*Signatures:* Chile, Colombia, Guatemala, March 18, 1959.

##### Germany—Allied High Commission

Protocol modifying agreement concerning storage of, access to, and release of information from the archives of the Allied High Commission and connected tripartite agencies of June 30, 1954 (TIAS 3036). Signed at Bonn March 5, 1959, by France, the United Kingdom, and the United States. Entered into force March 5, 1959.

##### Postal Services

Universal postal convention, with final protocol, annex, regulations of execution, and provisions regarding airmail and final protocol thereto. Signed at Brussels July 11, 1952. Entered into force July 1, 1953. TIAS 2800.  
*Ratification deposited:* Panama, February 18, 1959.

##### Trade and Commerce

Procès-verbal extending the validity of the declaration<sup>1</sup> extending the standstill provisions of article XVI:4 of the General Agreement on Tariffs and Trade. Done at Geneva November 22, 1958.

*Signatures:* Austria, Belgium, Ceylon, Denmark, Finland, Haiti, Indonesia, Luxembourg, Federation of Malaya, Federation of Rhodesia and Nyasaland, and Turkey, November 22, 1958; Italy and Norway, December 1, 1958; Netherlands, December 16, 1958; Federal Republic of Germany, January 13, 1959; United States (with a statement), March 16, 1959.

##### Whaling

Amendments to paragraph 6(1),<sup>2</sup> 6(2),<sup>3</sup> 8(a), and 8(c) of the schedule to the International Whaling Convention of 1946 (TIAS 1849). Adopted at the 10th meeting of the International Whaling Commission, The Hague, June 23-27, 1958.

*Entered into force:* Paragraphs 8(a) and 8(c), January 29, 1959, except for Japan, Netherlands, Norway,

<sup>1</sup> Not in force.

<sup>2</sup> Entered into force Oct. 6, 1958.

Union of Soviet Socialist Republics, and United Kingdom.

#### BILATERAL

##### Iceland

Agricultural commodities agreement under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (68 Stat. 454; 7 U.S.C. 1701-1709), with memorandum of understanding. Signed at Reykjavik March 3, 1959. Entered into force March 3, 1959.

##### Israel

Agreement supplementing and amending the agricultural commodities agreement of November 6, 1958 (TIAS 4126). Effected by exchange of notes at Washington March 10, 1959. Entered into force March 10, 1959.

## DEPARTMENT AND FOREIGN SERVICE

### Change in Consular Districts in Yugoslavia

Department notice dated February 27

Effective March 23, 1959, the District of Dubrovnik is removed from the area of responsibility of the American Consulate General at Zagreb and added to the area of responsibility of the American Consulate at Sarajevo.

The new areas of responsibility are as follows: Sarajevo—the People's Republics of Bosnia-Herzegovina and Montenegro and the District of Dubrovnik; Zagreb—the People's Republics of Slovenia and Croatia (except the District of Dubrovnik).

### Designations

Clarence A. Boonstra as Director, Office of East Coast Affairs, Bureau of Inter-American Affairs, effective March 16.

William T. Briggs as Deputy Director, Office of East Coast Affairs, Bureau of Inter-American Affairs, effective March 16.

Ivan B. White as Deputy Assistant Secretary for European Affairs, effective March 18.

Carlos C. Hall as Director, Office of Research and Analysis for American Republics, effective March 23.

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**Check List of Department of State****Press Releases: March 16-22**

Press releases may be obtained from the News Division, Department of State, Washington 25, D.C. Releases issued prior to March 16 which appear in this issue of the BULLETIN are Nos. 169 of March 10, 175 of March 11, and 182 of March 13.

No.	Date	Subject
186	3/16	Herter: House Foreign Affairs Committee.
190	3/16	Cuba credentials (rewrite).
*191	3/16	Cultural exchange (India).
192	3/16	SEATO Council of Ministers meeting.
193	3/17	Dillon: House Foreign Affairs Committee.
*194	3/17	Death of J. Klahr Huddle.
†195	3/17	Organizational changes in ICA.
*196	3/17	Herter: death of Sydney Smith.
†197	3/18	Austrian book on U.S. aid.
198	3/18	DLF loan to China (rewrite).
*199	3/18	Briggs nominated Ambassador to Greece (biographic details).
200	3/18	DLF loan to Malaya (rewrite).
*201	3/19	Strom nominated Ambassador to Bolivia (biographic details).
202	3/19	U.S.-U.S.S.R. motion-picture exchange.
†203	3/19	Arrival of Prime Minister Macmillan.
†204	3/19	Visit of King Hussein of Jordan (rewrite).
*205	3/19	Itinerary of President of Ireland.
†206	3/20	Satterthwaite: "The Role of Labor in African Development."
*207	3/20	Educational exchange (Uruguay).
*208	3/20	Educational exchange (El Salvador).

\* Not printed.

† Held for a later issue of the BULLETIN.

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# NATO

## 1949-1959

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April 4, 1959, marks the 10th anniversary of the signing of the North Atlantic Treaty, which links the United States with 14 other free nations for our mutual security and progress.

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